

## NEWS SUMMARY

GENERAL

Vidow of Sir Winston dies

BUSINESS

\$ weak; slow start to equities

EQUITIES started the three-week account slowly, and the FT index closed 1.4 down at 484.5.

• GLTS continued last week's upward movement, but rises were clamped towards the close

Spencer Churchill, Sir Winston's son, died at London flat aged 23. Mr. Churchill, her grandmother, Conservative MP for York, said Lady Churchill had a heart attack.

First world war, Lady Churchill organised canteens for miners workers. In the last year she raised nearly £5m. for Cross Aid to Russia. Financial problems occurred later years and to make meet after Churchill's death, she was forced to sell paintings, silver and more. Her only income from declining investment was a State pension of a week.

n 'spy passed secrets'

Story in West Germany's Ministry passed top newspaper claimed. The confirmed that the was "in large measure". The Federal Attorney said that the affair had more military harm than Guenter Guillaume, the activities forced the of Herr Brandt, for, in 1974. Page 5

e arrives

mond Barre, French Minister, arrived to join Giscard d'Estaing, and French Government officials at Chequers with Callaghan, Prime

firemen offer

In many parts of the rejected proposals for bases over two years as for settling the month-long Union leaders said there will be a campaign against recall of Brigades Union, when the executive tomorrow to consider from regional con-

Page 10

k to farm

Mark Phillips, husband Anne, will leave the spring to become a farmer at their home, Le Park, Gloucestershire.

er supremo

i Greenwood, controller of England since Mr. went to the Middle appointed manager.

rel threat

Year-old schoolchildren for so many at they were jeopardised. Dr. Leyson, an Opposition spokesman, said.

in jail!

Card is investigating illegal drugs have been made by others into Brixton south London.

plea

Section to operate between Gatwick and Los Angeles made by Laker Page 28

es stop

between England and France because by French scammers against reduction of routes.

a's clause

of schoolchildren in may have to cancel shows they have taken rehearse — because have not been given time to get licences 1968 Theatres Act. Page 33

## PRICE CHANGES YESTERDAY

Pence unless otherwise indicated)

RISSES	
Fr Dec 1977	£.832 + 1
June 1972	£.851 + 1
1973	£.850 + 4
1974	£.845 + 20
1975	£.667 + 9
1976	£.711 + 10
over Kent	£.55 + 61
1977	£.735 + 52
1978	£.138 + 3
1979	£.101 + 3
1980	£.183d + 24
1981	£.183d + 11
1982	£.183d + 11
1983	£.183d + 11
1984	£.183d + 11
1985	£.183d + 11
1986	£.183d + 11
1987	£.183d + 11
1988	£.183d + 11
1989	£.183d + 11
1990	£.183d + 11
1991	£.183d + 11
1992	£.183d + 11
1993	£.183d + 11
1994	£.183d + 11
1995	£.183d + 11
1996	£.183d + 11
1997	£.183d + 11
1998	£.183d + 11
1999	£.183d + 11
2000	£.183d + 11
2001	£.183d + 11
2002	£.183d + 11
2003	£.183d + 11
2004	£.183d + 11
2005	£.183d + 11
2006	£.183d + 11
2007	£.183d + 11
2008	£.183d + 11
2009	£.183d + 11
2010	£.183d + 11
2011	£.183d + 11
2012	£.183d + 11
2013	£.183d + 11
2014	£.183d + 11
2015	£.183d + 11
2016	£.183d + 11
2017	£.183d + 11
2018	£.183d + 11
2019	£.183d + 11
2020	£.183d + 11
2021	£.183d + 11
2022	£.183d + 11
2023	£.183d + 11
2024	£.183d + 11
2025	£.183d + 11
2026	£.183d + 11
2027	£.183d + 11
2028	£.183d + 11
2029	£.183d + 11
2030	£.183d + 11
2031	£.183d + 11
2032	£.183d + 11
2033	£.183d + 11
2034	£.183d + 11
2035	£.183d + 11
2036	£.183d + 11
2037	£.183d + 11
2038	£.183d + 11
2039	£.183d + 11
2040	£.183d + 11
2041	£.183d + 11
2042	£.183d + 11
2043	£.183d + 11
2044	£.183d + 11
2045	£.183d + 11
2046	£.183d + 11
2047	£.183d + 11
2048	£.183d + 11
2049	£.183d + 11
2050	£.183d + 11
2051	£.183d + 11
2052	£.183d + 11
2053	£.183d + 11
2054	£.183d + 11
2055	£.183d + 11
2056	£.183d + 11
2057	£.183d + 11
2058	£.183d + 11
2059	£.183d + 11
2060	£.183d + 11
2061	£.183d + 11
2062	£.183d + 11
2063	£.183d + 11
2064	£.183d + 11
2065	£.183d + 11
2066	£.183d + 11
2067	£.183d + 11
2068	£.183d + 11
2069	£.183d + 11
2070	£.183d + 11
2071	£.183d + 11
2072	£.183d + 11
2073	£.183d + 11
2074	£.183d + 11
2075	£.183d + 11
2076	£.183d + 11
2077	£.183d + 11
2078	£.183d + 11
2079	£.183d + 11
2080	£.183d + 11
2081	£.183d + 11
2082	£.183d + 11
2083	£.183d + 11
2084	£.183d + 11
2085	£.183d + 11
2086	£.183d + 11
2087	£.183d + 11
2088	£.183d + 11
2089	£.183d + 11
2090	£.183d + 11
2091	£.183d + 11
2092	£.183d + 11
2093	£.183d + 11
2094	£.183d + 11
2095	£.183d + 11
2096	£.183d + 11
2097	£.183d + 11
2098	£.183d + 11
2099	£.183d + 11
2100	£.183d + 11
2101	£.183d + 11
2102	£.183d + 11
2103	£.183d + 11
2104	£.183d + 11
2105	£.183d + 11
2106	£.183d + 11
2107	£.183d + 11
2108	£.183d + 11
2109	£.183d + 11
2110	£.183d + 11
2111	£.183d + 11
2112	£.183d + 11
2113	£.183d + 11
2114	£.183d + 11
2115	£.183d + 11
2116	£.183d + 11
2117	£.183d + 11
2118	£.183d + 11
2119	£.183d + 11
2120	£.183d + 11
2121	£.183d + 11
2122	£.183d + 11
2123	£.183d + 11
2124	£.183d + 11
2125	£.183d + 11
2126	£.183d + 11
2127	£.183d + 11
2128	£.183d + 11
2129	£.183d + 11
2130	£.183d + 11
2131	£.183d + 11
2132	£.183d + 11
2133	£.183d + 11
2134	£.183d + 11
2135	£.183d + 11
2136	£.183d + 11
2137	£.183d + 11
2138	£.183d + 11
2139	£.183d + 11
2140	£.183d + 11
2141	£.183d + 11
2142	£.183d + 11
2143	£.183d + 11
2144	£.183d + 11
2145	£.183d + 11
2146	£.183d + 11
2147	£.183d + 11
2148	£.183d + 11
2149	£.183d + 11
2150	£.183d + 11
2151	£.183d + 11
2152	£.183d + 11
2153	£.183d + 11
2154	£.183d + 11
2155	£.183d + 11
2156	£.183d + 11
2157	£.183d + 11
2158	£.183d + 11
2159	£.183d + 11
2160	£.183d + 11
2161	£.183d + 11
2162	£.183d + 11
2163	£.183d + 11
2164	£.183d + 11
2165	£.183d + 11
2166	£.183d + 11
2167	£.183d + 11
2168	£.183d + 11
2169	£.183d + 11

LOMBARD

# Sagas of the North Sea

BY PETER RIDDELL

THE POWER of taboo in exports, output, employment and politics would make an investment in the U.K. on this excellent topic for any anthropologist studying Britain. Reform of housing finance has always been a forbidden subject inside the Labour Party, and now the easing of exchange controls on investment overseas looks like falling into the same category in the current debate about the use of North Sea oil revenue.

The fundamental opposition of the TUC and large sections of the Labour Party to any relaxation is well-established. What is depressing is not so much the conclusion reached but the way in which the subject is discussed. Overseas investment is dismissed automatically by many in the Labour Party because of its alleged effect on holding down investment and jobs at home. The possibility that spending on investments abroad and in the U.K. might be complementary rather than considered.

## Energy supply

The common starting-point of most in the debate is that since North Sea oil is a wasting asset the objective should be to build up a balanced portfolio of alternative income earning assets over the medium term. Similarly few would disagree with Mr. Healey's repeatedly stated view that we must use as much as possible of the additional freedom provided by the oil to strengthen the U.K.'s manufacturing base and to develop new sources of energy supply.

Mr. Healey has gone on from this to argue that "overseas investment cannot be seen as an alternative to investment at home, not least because it would not provide a sufficiently direct certain mechanism . . . to achieve sustained growth and to reduce unemployment. Indeed it could be argued that an over-reliance on income from overseas in the 1970s century has been one reason for the relatively poor economic performance of this country during this century."

But this begs most of the main arguments in favour of liberalisation. For a start, it is fallacious to assume that there is a finite pool available for investment either at home or abroad: it can vary depending on the opportunities.

Furthermore if an outward flow of capital is not permitted the current account surplus could push up the exchange rate to a level which would damage

## Ambiguity

Even Mr. Healey has conceded

that "some increase in overseas investment may have a role to play later on." But the degree of ambiguity in the current British approach is in contrast to the need for explicit definition.

The typewritten document has in Montgomery's hand the addition: "This to include all naval ships in the area". He also changed the time for the ending of hostilities from noon to 12.00 hours.

The price of letters, manuscripts and historical documents brought \$56,595, with just over 5 per cent bought in.

The top price was £6,400 from the Sevenoaks dealers Hoffmann and Freeman for a vast early 18th-century archive of the Ferrers family of Tamworth Castle, Warwickshire, mostly relating to the previous two centuries. The sum was more than double the forecast.

Another family archive, around 450 letters of the Molewold family in the period 1689 to 1789, made £4,200.

An American buyer paid £1,500 for the Governor's (Sir Edmund Andrus) signed copy of A Complete Collection of all the Laws of Virginia now in Force, of 1684. A letter of complaint from Captain Bligh fetched £2,100, and a Henry VIII letter £1,000.

The Museum of London paid £350 for a collection of papers relating to Newgate gaol, including some from men in the con-

# A good time to restock the cellar

ALTHOUGH this is the time of year when wine drinkers are showered with advice as to what they should buy and drink over Christmas and the New Year, so far as vintage wines are included I believe that the essential acquisitions have already been made. I hope so, anyway, for any fine mature bottle of claret, burgundy or vintage port deserves a period of rest before being opened. For the rest, topping up with spirits and more ordinary wines, still sparkling and fortified, calls for no special advice here.

However, this is very much the moment to take stock of one's cellar, even if, in many cases, the term be used more metaphorically than physically. It is the time to make provision for the years rather than the weeks ahead; and just now there are opportunities that may not readily recur. For, following the recent price boom-and-bust that ended last year, a change has taken place in the wine trade here. Most merchants and particularly the large groups that dominate the trade, are now, or unwilling to hold stocks of young vintage wines for a prolonged maturing period. More and more, therefore, the ultimate consumers must buy their vintage wines when young and keep them until reasonably mature.

This has been particularly clear in the past 18 months or so. Last year the '75 clarets were the top prices for, say,

Croft '60 was £37 a case, for Taylor '63 £41. To-day their prices have already reached £64 and £74 respectively.

What, then, should we buy to replenish our stocks? Obviously there is a division between buying for drinking now or reasonably soon and laying down for the future. Taking claret first,

this record vintage, and they are soft and agreeable, but not for prolonged keeping. For the '74s the future is not yet clear, and I would be inclined to wait and see how they develop. They will not suddenly disappear off the market.

Certainly, however, the '75s and '76s should be acquired in

in Bordeaux the '75s were often very tannic and hard to taste, while the '76s were lighter and more "flowing." This of course may be a phase in both vintages, and the best answer is, of course, to buy some of each year.

Among red burgundies the choice is more restricted. For wines to buy for drinking now fairly soon there are still some agreeable '70s with the light '78s from being kept. Both years should be acquired now, the small quantities imported here, in prime condition, exhausted, they are rebought.

Finally, vintage port, one buys the '75s that are to arrive here in bond, on time-scale of one's wine consumption, and here it is to maintain condition.

Obviously for dry wine the '70s, '71s and '72s are buys; and not yet ones declared since. It is expected to become unlikely to become more. In St. Emilion and Pomerol the next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

## WINE

BY EDMUND PENNING-ROWSELL

as the '66s are now rather expensive, though often not really ready to drink; the lighter '67s are good buys for drinking now and for a few years more.

The St. Emilians and Pomerols are often better than the Medoc. The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

The next year for clarets to drink with pleasure is '70, but only for the petits chateaux; the fine wines are still very closed up, and remain on the laying

down lists.

On the other hand the '71s are excellent clarets to purchase for drinking in the near future, and also for keeping for some years. They lack the weight of the '70s, but are fine, elegant wines. The '72s I would give a miss to, and pass on to the '73s. Light wines were produced in

as large a quantity as can be afforded and as soon as possible. Prices have already risen sharply in Bordeaux for the '75s—a bottle of any of the three chateaux mentioned above now costs not much under the equivalent of £5, ex-cellars—and

Medoc.

## Surrender draft brings £3,100

THE FINAL DRAFT of the instrument of surrender of the German forces to Field Marshal Montgomery at Luneberg Heath was sold to a Paris dealer, Donald Wilson, for £3,100 at Sotheby's yesterday.

The typewritten document has in Montgomery's hand the addition: "This to include all naval ships in the area". He also changed the time for the ending of hostilities from noon to 12.00 hours.

The price of letters, manuscripts and historical documents brought \$56,595, with just over 5 per cent bought in.

The top price was £6,400 from the Sevenoaks dealers Hoffmann and Freeman for a vast early 18th-century archive of the Ferrers family of Tamworth Castle, Warwickshire, mostly relating to the previous two centuries. The sum was more than double the forecast.

Another family archive, around 450 letters of the Molewold family in the period 1689 to 1789, made £4,200.

An American buyer paid £1,500 for the Governor's (Sir Edmund Andrus) signed copy of A Complete Collection of all the Laws of Virginia now in Force, of 1684. A letter of complaint from Captain Bligh fetched £2,100, and a Henry VIII letter £1,000.

The Museum of London paid £350 for a collection of papers relating to Newgate gaol, including some from men in the con-

demned cells. The Institute of Chartered Accountants was also in flight realized £5,800 from the London dealer C. C. Lat.

A Ming polychrome circular account book of West India and domed cover sold for £6,000, while a Ming fairing bowl went for £5,500 to Blinet. A large blue-and-white Pilgrim bottle, painted in the early 15th century style but of the Chien Lung period, sold for £4,200 to R. Chang.

Phillips took £97,400 for 19th century paintings. Top price was £5,400 paid by Williams for a harvesting picture by Heywood Hardy and estimated at £3,500. The same buyer paid £4,500 for The Drying Fields, Haarlem, by Pieter L. F. Kuyver.

A wooded river landscape by Francis Danby went to Somerville and Simpson for £3,800.

EXPERTS have been called in to lay safety tests at an £8m naval communications base which is threatened with closure even before its official opening on January 8.

The base, at Crimond, Aberdeenshire, is intended to be the cornerstone of the signals network for British ships in the Atlantic and North Sea, but it is thought during tests that its electro-magnetic emissions might threaten safety at the St. Fergus

A plate painted with a goose gas terminal, four miles away.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect emerging from a chrysalis made £10,500 to a private buyer, who also paid £10,500 for a plate painted with a hawk perched on a flowering branch.

A group of birthday plates, said to have been made for the 80th birthday of the Empress Kang Hsi in 1713, sold particularly well. One painted with a cicada and an insect



## EUROPEAN NEWS

# BURLINGTON INTERNATIONAL FINE ART FAIR

## An exhibition of works of art

Paintings, Drawings, Sculptures & Original prints  
by World Famous Artists

ATHENAEUM  
(Monte Carlo)

P. DE BOER  
(Amsterdam)

C. G. BOERNER  
(Düsseldorf)

JULIUS BÖHLER  
(Munich)

CAILLEUX  
(Paris)

DAS HAUS DER GEMÄLDE  
(Munich)

GEBR. DOUWES  
(Amsterdam)

RICHARD L. FEIGEN  
(New York)

HEIM  
(Paris)

H. E. LEWIS  
(San Francisco)

ROBERT NOORTMAN  
(Hilversum)

S. NYSTAD  
(The Hague)

Together with their British Colleagues and Hosts  
look forward to  
welcoming you at the

## ROYAL ACADEMY OF ARTS

BURLINGTON HOUSE, PICCADILLY, LONDON

11 am to 7 pm, until 16th December  
(All works shown are for sale)

## The Bank of Nova Scotia 1977 ANNUAL STATEMENT

### Condensed Statement of Assets and Liabilities as at October 31

	1977	1976
Assets		
Cash, clearings and due from banks	\$ 5,534,887,863	\$ 4,421,579,363
Securities	1,944,841,235	1,537,162,845
Call Loans	553,673,095	360,686,262
Other loans and discounts	13,000,789,283	10,797,843,008
Acceptances and letters of credit, as per contra	1,060,204,129	880,973,021
Bank premises	132,879,144	111,453,096
Controlled companies	111,424,600	52,808,248
Other assets	20,547,899	18,541,313
	<b>\$22,359,247,248</b>	<b>\$18,181,047,161</b>
Liabilities		
Deposits	\$20,219,610,977	\$16,366,084,502
Acceptances and letters of credit	1,060,204,129	880,973,021
Other liabilities	46,776,104	35,372,409
Accumulated appropriations for losses	159,801,439	126,711,849
Debentures	191,730,000	165,850,000
Capital paid up	41,250,000	41,250,000
Rest account	639,000,000	564,000,000
Undivided profits	874,599	805,380
	<b>\$22,359,247,248</b>	<b>\$18,181,047,161</b>

Executive Offices: 44 King Street West, Toronto, Canada  
1061 offices: in Canada, the Bahamas, the Caribbean, Aberdeen, Athens, Atlanta, Bahrain, Beirut, Belfast, Belize, Brussels, Buenos Aires, Cairo, Chicago, Cleveland, Cork, Dublin, Edinburgh, Frankfurt, Glasgow, Guyana, Hong Kong, Houston, Jakarta, Kuala Lumpur, London, Los Angeles, Manchester, Manila, Mexico City, New York, Oslo, Panama, Paris, Piraeus, Rio de Janeiro, Rotterdam, San Francisco, Singapore, Sydney, Thessaloniki, Tokyo.  
Subsidiary and Affiliated Banking Companies: Banco Mercantil de Puerto Rico, The Bank of Nova Scotia Jamaica Limited (52 offices), The Bank of Nova Scotia Trinidad & Tobago Limited (16 offices), Bermuda National Bank Limited, Maduro and Currie's Bank N.V., Netherlands Antilles; Security Bank & Trust Company, the Philippines; United International Bank Limited, London, England; The West India Company of Merchant Bankers Limited, Kingston, Jamaica; The Bank of Nova Scotia Channel Islands Limited, The Bank of Nova Scotia International Limited, the Bahamas; BNS International (Hong Kong) Limited; Schroder, Darling and Company Holdings Limited.

C. E. RITCHIE  
Chairman of the Board,  
President and Chief Executive Officer

Scotiabank   
THE BANK OF NOVA SCOTIA

A Yugoslav diplomat's sensational account of Yugoslavia's tortuous relations with the USSR since the Khrushchev-Tito reconciliation of 1955-56. PAUL LENDVAI reports

## Memories of Big Brother

THE MEMOIRS of Mr. Veljko Micunovic, the former Yugoslav Ambassador in Moscow, have been published by a sharp Soviet protest to the Yugoslav Government's two-engine plane to Pula. After last week's issue of the 521-page volume disappeared from book-shops all over Yugoslavia, prospective buyers were told that the book—despite a first printing of 10,000—had been sold out.

It is the most candid and by Communist standards even sensational account ever published of Yugoslav-Soviet relations since the Cuban missile crisis in 1962-63. The reader also gets an inside view of the real background to the Soviet intervention in Hungary in 1956, the power battles in the Kremlin, the purge of the Molotov-Malenkov group, and the fall of Marshal Zhukov. Last but not least the author also provides unique glimpses of the atmosphere during the Suez crisis and character sketches of key figures who are still active such as Mr. M. A. Suslov and Mr. B. Ponomarov.

Though the book supposedly deals only with his Moscow years 1956-58, Mr. Micunovic says in the foreword that the basis of Soviet-Yugoslav relations has not changed since. He should know. The 61-year-old author was Deputy Foreign Minister, again Ambassador in Moscow (1968-71), chairman of the Federal Parliament's Foreign Affairs Commission and finally, until 1974, a member of the Supreme State Praesidium as a representative of his native Montenegro.

The Yugoslav enjoyed close personal relations with Khrushchev, quarrelling and arguing many hours with the loquacious Soviet leader, who in turn made him privy to many secrets of the Kremlin.

Mr. Micunovic gives a detailed account of a crucial flight of Khrushchev and Malenkov to Yugoslavia to confer with Marshal Tito on the night of November 2/3 1956 about the to the session of the presidium

only to be informed there and then that he was relieved of all his functions.

The completely bewildered maximalist Khrushchev from home: "What has happened, Comrade Khrushchev?" You

Poltiburo as the most evil influence on Soviet policy. In a postscript, written in 1971, Mr. Micunovic recalls how Mr. Suslov always acted as prosecutor in trials against the Hungarian revolutionaries in 1956-57 against Marshal Molotov and his associates four months later against Marshal Zhukov, and finally, in 1964,

At a stormy encounter with the author, Mr. Suslov in April 1965 sharply attacked the new Yugoslav party programme without even offering a seat to the Yugoslav who had brought along a corrected text just sent by special plane from Belgrade. Mr. Suslov's tone was such that Mr. Micunovic shouted back: "We are talking about the programme of the Yugoslav communists, not that of the Soviets."

Mr. Micunovic says that Mr. Boris Ponomarov, then and now, one of the Kremlin's chief trouble-shooters in the international Communist movement, two years after Khrushchev's famous secret speech about the horrors of the Stalin era still had a picture of Stalin on the wall of his office in the Kremlin.

Recalling humiliating details of talks about Yugoslavia requests for modern Soviet fighters and tanks, Mr. Micunovic warns against giving in to Soviet demands which might lead to unilateral and excessive dependence on supplies of Soviet arms.

He leaves no doubt that he believes that Moscow wants to bring about Yugoslavia's re-entry into the bloc. His catalogue of Soviet forgeries of Yugoslav statements of bugging and police provocation, of double-dealing in relations with the Yugoslav, of attempts to use, then as now, Stalinist emigres as undercover agents in Yugoslavia make compelling reading. His conclusion is that the Soviets have conceded that there can be differing roads to socialism and the independence of each Communist State.

The author obviously regards Mr. M. A. Suslov, at 75 still the and party as a tactical device

Mr. Veljko Micunovic.  
Humiliating details.

know me, we are friends and I just cannot understand thing." Khrushchev curiously replied that he had absolutely nothing to say before they met at the forthcoming plenary meeting of the central committee convened to approve the decision of the presidium. The Soviet leader told what he called his impartiality towards friends. Zhukov, fate and the later treatment of Stalinist emigres as undercover agents in Yugoslavia make compelling reading. His conclusion is that the Soviets have conceded that there can be differing roads to socialism and the independence of each Communist State.

Mr. M. A. Suslov, at 75 still the and party as a tactical device

### Andreotti in budget talks

By Dominick J. Coyle

ROME, Dec. 12.—SIG. GIULIO ANDREOTTI, the Prime Minister, was meeting senior economics ministers tonight to finalise the minority Government's revised 1978 budget in the hope that it would prove acceptable in talks later this week with the main opposition parties and three trade union confederations.

The Prime Minister expects to meet with trade union leaders on Wednesday, and on the following day with the heads of the five opposition parties, including the Communists (PCI).

Police in bullet-proof jackets and firing into the air seized 240 demonstrators today during a wild rampage by thousands of youths in which Molotov cocktails and tear gas grenades were exchanged, UPI reports from Rome.

### Chirac keeps his distance

BY DAVID CURRY

PARIS, Dec. 12.

DESPISTE HIS apparently harmonious meeting with President Giscard d'Estaing last week, the Gaullist leader, M. Jacques Chirac is intensifying his opposition to any attempt to produce a coherent joint election platform under Prime Minister Raymond Barre for all the parties of the conservative coalition.

M. Chirac, emphasising his belief that each coalition party should go to the country on its own platform, is also doing his best to dissociate his Gaullist supporters from total support for M. Barre's economic austerity programme.

Although the Gaullists support the Barre Plan in the National Assembly, they have recently added open sniping at M. Barre's policies to their longstanding opposition to his role as a

political leader, rather than just an economic manager.

M. Chirac has now asked for a meeting with M. Barre to tell him about the Gaullists' own economic programme, which is based upon an immediate investment programme to haul France out of the recession.

M. Barre is likely to listen politely to the leader of the biggest coalition party while suspecting that the real purpose of the meeting is to define a distinct Gaullist economic policy in advance of the elections.

As M. Chirac has become more open in criticising M. Barre, so the latter has become more explicit in his condemnations of the economic mess left by his predecessor as Prime Minister... M. Chirac.

M. Michel Debre, the former Gaullist prime minister and the most "unreconstructed" of the original Gaullists, has re-launched his own campaign to get the elections brought forward from March in order to end the uncertainty which he reckons is bedevilling the country's economic life.

Workers in France's electricity industry today called a one-hour strike planned for Wednesday after the management agreed to consider proposals for a pay deal. Union leaders told Reuter in Paris. The industry has been hit by a series of stoppages and power cuts following a national strike on December 1 by left-wing union groups in protest against the Government's anti-inflation measures.

The main point in our report is that we must get to grips with the large gap between our production costs and those of our most important competitors," Professor Erik Lundberg, spokesman for the four economists, recommended the Government either to make a "final" devolution of 15 per cent and cut value-added tax by 24 per cent, or to reduce employers' payroll charges by 10 per cent—or it could work out a combination of the two alternatives.

In spite of these devaluations, the deflationary policy by which the non-Socialist government switched this spring and about the efficacy of the three devaluations of the krona since October 1976. They had been too small and too frequent and had only stimulated expectations of further devaluations.

In spite of these devaluations, the gap between Swedish and other countries' cost levels would remain through 1978.

The Financial Times publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

THE FINANCIAL TIMES publishes daily comment on foreign exchange rates. For current rates, see page 10.

## EUROPEAN NEWS

**Setbacks for Demirel add  
other to Turkish uncertainty**

BY DAVID TONGE

**R**ESULTS of Sunday's lost heavily in the 67 provincial elections in Turkey. Forty-two of those are increased rather than reduced the political uncertainty of the country.

placed with a setback at the hands of his Deputies, the future Mr. Suleyman Demirel, and his coalition is again positioned.

In the 1973 local elections, the two major parties had respectively 33 and 22 capitals.

Mr. Demirel had approached the elections with little zest, treating them largely as a necessary evil to be faced up to before his position could agree to the last stage of the controversial party's Justice Party maintained its control of 40 per cent of the small municipalities but Fund.

**Brunner urges action on EEC energy programme**

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Dec. 12

**T**HERE IS a "strong tendency" effects of a further oil price rise among members of the Organisation of Petroleum Exporting Countries (OPEC) to opt for an oil price freeze at their meeting in Caracas next week in the view of the EEC Energy Commissioner, Dr. Guido Brunner.

He claimed today that though the purchasing power of OPEC oil revenues had been reduced in recent months most of the organisation's members agreed that a further price rise would only compound the problem by setting of a new round of inflationary pressures.

But he argued that the Community had succeeded in reducing its energy usage significantly. Total crude imports this year were 480m tonnes, 20 per cent below last year's level, while he put total oil consumption next year 2.5 per cent below the 1976 level and 13 per cent less than in 1973.

He insisted that it was important for EEC Energy Ministers to "send a proper signal to the OPEC countries" to meet here to-morrow demonstrating their determination to make progress towards a common energy policy.

Commission predictions vary it the balance of payments to 0.8 or even less.

**'Red mud' concession won**

BY OUR OWN CORRESPONDENT

BRUSSELS, Dec. 12

**T**HAT TO-DAY won a hard-fought concession in its lengthy campaign to convince the EEC that discharges of titanium dioxide, or "red mud," from U.K. industrial plants are being polluting the North Sea and coastal waters.

Under the directive which now nearing adoption, governments will be required to ensure that authorisation for new titanium dioxide producing plants is granted only if it can be demonstrated that discharges have been reduced to the minimum.

Meanwhile, Environment Ministers here, the U.K. may reserve the right to opt existing plants from a proposed EEC directive requiring installation of cleansing protection for wild birds, some of which have been brought close to extinction by excessive hunting especially in France and Italy.

Discussions became bogged down, when Italy insisted that the plants are not polluting a number of song birds, including pipits and hedge sparrows, be counted as legitimate game targets—a demand that was strongly opposed by Britain.

**cheel promises aid to Portugal**

BONN, Dec. 12

**A**TT GERMAN President to NATO, declaring: "You know that we will do our share and military aid to increase Portugal's defence budget, facing its first big preparedness in the alliance and democratic elections. We're promised to give Portugal into the European Common Market."

The West German President fell short of the Soares government's efforts to return to Lisbon on Thursday.

ANKARA, Dec. 12.

**West split on Belgrade document**

By Paul Lendvai

**B**ELGRADE, Dec. 12. SHARP CLASHES between Soviet and U.S. delegates over human rights, differences in finding a common NATO position on the concluding document and search for a compromise over the working programme have emerged as the main features of the 35-nation follow-up conference on European security here.

His Deputies have long complained at being left out as the spoils of office were divided and at the concessions being made to the JP's small coalition partners.

There was one resignation from the party in October and two, later withdrawn, in November.

Now, further Deputies are reported to be reconsidering their loyalties before the meeting of the party's Parliamentary group due on Wednesday.

The resignations bring the Government's majority down to one seat. More defections would be necessary and these defectors then have to vote for the Opposition for this to be able to take the seat in the present coalition.

The complaints made by those who resigned—that Mr. Demirel is putting personal ambition above party interests and is neglecting the growing violence—are frequently heard even from his cabinet colleagues.

Another point of criticism is the party's continuing co-operation with both the National Salvation Party and the neo-Fascists.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

At today's plenary meeting consensus was reached that the four neutral states—Austria, Switzerland, Sweden and Ireland—will try to get a working programme ready with regard to the drafting groups.

## AMERICAN NEWS

U.S.-JAPAN TRADE TALKS

## Tokyo under pressure to give more

BY DAVID SELL

A SENIOR JAPANESE official today began intensive talks with members of the Carter administration in an effort to convince them that the economic package he has brought with him is the most that can be expected from Japan for the time being.

Mr. Nobuhiko Ushiba, a senior adviser to the Japanese ministry and a former ambassador to the United States, had lunch with Mr. Robert Strauss, the President's special trade representative, before going on later to meet the Secretaries of the Treasury and Labour. It is expected that to-morrow he will also meet President Carter.

The administration has yet to examine in detail the Fukuda government package, which has been hastily put together in the face of strong American pressure on Japan. But preliminary study of the plan has not pleased the administration, which has been pressing the Tokyo government both to stimulate its own economy and to relax what the U.S. regards as unfair restrictions on American imports to Japan.

Thus the Americans are likely to make it clear to Mr. Ushiba it could spark just the kind of Tokyo

that they regard this package—

which has so far only been made public in the most general terms—

as being too little, too late.

So the Japanese are asked to go to the Japanese to take further measures almost at once.

The Administration is to make it very clear to Mr. Ushiba that protectionist pressure in general

and pressure for sanctions against Japan in particular—is very difficult to contain.

As usual the Japanese are saying little about their intentions.

But it does appear that Mr. Ushiba does not regard the package that he has brought with him as something to be negotiated and it will be expected that the Japanese demand being told what to do by another Government, however close an ally it may be.

Mr. Strauss is expected to stress that congress is not going to be satisfied with minor less than significant reductions in both tariff and non-tariff barriers to make further concessions this year.

If Japan refuses to stimulate the domestic Japanese economy. Without these measures will confront the U.S. with a very serious decision whether to do nothing or take unilateral action against Japanese imports.

Such action might be popular in domestic political terms but very serious cause for concern in

protectionist actions in other countries that the U.S. professes to be trying to prevent. Some officials in Washington argue that the Japanese exports to the United States to the bone. Some importers, like Toyota or Datsun, are currently believed to be making little or no profit at all on their exports and it is expected that prices will soon rise once again. In theory this should help sales of U.S. made cars and the exchange rate should help cut the nation's manufactured imports bill.

It is a relatively minor problem compared to the one that could be caused if the present "war of words" escalates.

The recent sharp appreciation

of the yen has partly profits on Japanese exports to the United States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

making little or no profit at all

on their exports and it is

expected that prices will soon

rise once again. In theory this

should help sales of U.S. made cars and the exchange rate

should help cut the nation's

manufactured imports bill.

It is a relatively minor problem

compared to the one that could

be caused if the present "war

of words" escalates.

The recent sharp appreciation

of the yen has partly profits on

Japanese exports to the United

States to the bone. Some

importers, like Toyota or Datsun,

are currently believed to be

## WORLD TRADE NEWS

**Saudi go-ahead for budget lift to cover telephones project**

BY MAX WILKINSON

**THE SAUDI** Arabian Government has given the go-ahead for its multi-million pound telecommunications project which had been held up because the initial budget was too small.

At a weekend meeting the Saudi Council of Ministers agreed to pay the price set by the three international consortia bidding for the largest contract of its kind ever to be offered.

The next favourite bidder was a consortium of Western Electric, of the U.S., and Plessey and Cable and Wireless from the U.K. The Anglo-American bid was £1.85bn.

The Ministry of Posts is now believed to be on the verge of naming the successful contender. Early indications are pointing to the consortium made up of Philips of Holland, Ericsson of Sweden and Bell, Canada's, out to Riyadh, the Saudi capital, in sight to clarify the state of affairs.

Companies have been unable to keep in close touch with the negotiations in Riyadh, because telecommunication links are highly erratic.

The Saudi contract is seen by the world's major telecommunications companies as highly sig-

nificant, partly because of its enormous size and partly because it will be the largest system outside the U.S. to use the latest computer-controlled exchange technology.

The Philips-Ericsson-Bell bid was the lowest of the three which reached the final selection. It came out at £1.25bn, compared with the Saudis' original estimate of £830m.

The next favourite bidder was a consortium of Western Electric, of the U.S., and Plessey and Cable and Wireless from the U.K. The Anglo-American bid was £1.85bn.

The remaining bid was from ITT with the U.S. company United Utilities. Its bid was £1.83bn.

The Saudi Ministry of Posts and Telecommunications has been anxious to start work on the contract as soon as possible. It has set a time limit of three years for the completion of the scheme, considered by all the companies involved to be an extremely tight schedule.

**Bonn predicts decrease in Soviet Union trade**

BY DAVID SATTER

**THE VALUE** of West German-Soviet trade, which has increased every year on an annual basis since 1971, appears to decline this year in comparison with 1976. West Germany is Russia's largest Western trade partner.

Figures for West German-Soviet trade for the first nine months of 1977 released by the West German Embassy show that the value of trade during the first three quarters of 1977 came to DM7.6bn, a decrease of 3.3 per cent from trade valued at DM8.4bn for the first nine months of 1976.

West German exports, overwhelmingly finished and semi-finished goods, declined 8.8 per cent, to DM4.6bn, from the equivalent period last year.

Soviet exports to West Germany mainly raw materials, declined to DM3.0bn this year, 10.1 per cent less than the value of exports for the first nine months last year, which was DM3.4bn.

The Soviets, however, were able to offset their deficit in trade with West Germany because the decline in Soviet exports to West Germany was smaller in absolute terms than the decline in German exports to the USSR. The balance is in favour.

**French expect recovery in exports to China**

BY DAVID CURRY

**THE CHINESE** Foreign Trade Minister, Mr. Li Chiang, has announced on his trip.

John Lloyd writes: The Chinese Government is likely to turn to foreign sources of supply for mining equipment in the near future, according to the monthly magazine *World Coal*.

Mr. Li, who declared himself satisfied with his talks with the Prime Minister, M. Raymond Barre, was given a tour of France's high-technology sectors, including electronics and avionics, offshore oil field equipment, nuclear energy and aerospace, as well as steel, rail and automotive and commercial vehicle production.

Mr. Li's visit followed a high-level Chinese military mission which was in France three months ago and his own trip included visits to radar plants and inspection of military aircraft. The French are encouraged by his interest in the Franco-German Transalpine-military transport whose production lines have been re-opened to provide work for Toulouse.

To a lesser extent there is also hope that the Airbus made a good impression, though the Trade Minister paid only a short visit to the Aérospatiale installations. M. Raymond Barre is to visit China in January, and he hopes that contracts will

be concluded on his trip. John Lloyd writes: The Chinese demand for face extraction systems, self-advancing hydraulic roof supports, shears, conveyors, lighting and communications equipment.

The U.K. is ideally placed to take advantage of future buying in the coal equipment market.

The most significant items bought in recent years have been two longwall mining systems from British consortia: the first, worth £72m, was headed by Gullick Dobson, the second, worth £16.5m, headed by Dowty Mining Equipment.

World Coal estimates that output from Chinese mines will pass 500m. tonnes in 1977, and 600m. tonnes by 1980 if plans are fulfilled. If production at this level is reached, China might export coal to Japan. At talks between trade delegations from the two countries earlier this year, the possibility was raised of China's exporting 15m. tonnes of coal to Japan.

**S. Korea loan backing**

FINANCIAL TIMES REPORTER

**THE EXPORT** Credits Guarantee Department has guaranteed the £200m. PVC complex in payment and funding for a Wloclawek, Poland, 9.7m. loan which Lloyd's Bank International has made available to a Hyundai Shipbuilding and Heavy Industries of South Korea.

The loan will help finance contracts awarded by Hyundai to I.K. suppliers for capital goods and associated services for a marine diesel engine plant at Ulsan, South Korea, to manufacture engines ranging from 6,000 to 66,000 brake horse power which will be used in South Korea's shipbuilding industry.

**Simon-Carves deal**

Simon-Carves (Simon Engineers) has obtained a £1m. contract through Poliburr Engineering of Manchester. The Department of Trade is studying chipboard imports from Sweden and Spain and has held talks with European Community officials about possible anti-dumping action.

**Cutlery importers in quota row**

BY DAVID FREUD, INDUSTRIAL STAFF

**INDEPENDENT** U.K. importers federation, plans to submit counter-proposals to the Government, launching an attack on proposals by the manufacturers for new controls.

A new committee, sponsored by the British Importers' Com-

**Lockheed orders for Canada**

By Robert Gibbons

MONTREAL, Dec. 12

**LOCKHEED** Aircraft of the U.S. has placed the initial contracts of \$900m. programme of offset purchases agreed when Canada bought the Aurora reconnaissance aircraft. The first contracts totalled nearly \$100m. have been placed with Canadian in Montreal, Bristol Aerospace in Winnipeg, Enheat, Litton Systems Canada and CAE Industries, all of Toronto.

Canadian is building radar domes, electrical equipment, fuselage parts and machine parts for the 18 Aurora. Canada is buying from Lockheed. The parts will be shipped to California for final assembly at Lockheed.

The remaining bid was from ITT with the U.S. company United Utilities. Its bid was over \$1.83bn.

The Saudi Ministry of Posts and Telecommunications has been anxious to start work on the contract as soon as possible. It has set a time limit of three years for the completion of the scheme, considered by all the companies involved to be an extremely tight schedule.

The Saudi contract is seen by the world's major telecommunications companies as highly sig-

**WEST GERMAN EXPORTS****Currency blunts the competitive edge**

BY GUY HAWTIN, IN FRANKFURT

**THIS HAS** not been a particularly happy year for a number of important sectors of West German industry. Although there were strong hopes in the first couple of months that the 1976 upturn would continue, the early promise has failed to hold good.

Home demand has been varied. In the machine tool industry, for instance, domestic orders rose by 34 per cent as manufacturing companies that had tightly curbed investment during the depths of the recession were forced—probably more by necessity than anything else—to replace old or out-modified equipment. In other sectors, however, domestic orders were relatively slack.

But for many years now exports have been the key to prosperity for a majority of West German manufacturing concerns. In the chemicals industry overseas sales generally account for more than 50 per cent of turnover, while 75 per cent of the machine tool manufacturers' output is shipped abroad.

This year exports have been hard hit in many areas where international competition is fierce. The steel industry, of course, has had a thin time of things the world over. But the three major metals concerns—Bayer, BASF and Hoechst—all of which forecast a year of growth at the beginning of 1977, have reported exports during the first ten months either stagnating or declining slightly.

The machine tool industry.

Not surprisingly, many

German workers in 1976 put in more, the import statistics do about six weeks fewer than his Japanese counterpart and two import growth as volumes have risen for more heavily than the DM statistics indicate.

Signs of the times are that West German capital investment overseas has increased substantially in recent years. This, in part at least, is a result of manufacturers taking advantage of lower foreign labour and capital equipment costs, particularly in the United States. Again observers point out that many companies have had the decision thrust unwillingly upon them—Volkswagen's eleventh-hour decision to set up a U.S. assembly plant only after losing a massive slice of its market.

**Heavily**

They also draw strength for world trade has grown very arguments from the heavy slowly. Sluggish demand has led increase in West Germany's to low levels of capacity utilisation in certain sensitive industries such as chemicals and chemicals, steel making and steel. However, imports, excluding crude petroleum, went up by 7.28 per cent in the first three months of 1976. With Germany's, while exports rose only 6.7 per cent, to DM198.6bn. But operating costs, low levels of trade surplus actually increased reflected in the profit and loss during the period from 1976's account.

Although the year is not yet over and many companies have do not reflect the problems that yet to report their successes or failures, the atmosphere is certainly relatively gloomy but so it give any indication of what was in 1976 just before the 1976 state of the order books. Further, upturn.

**Columbia Airbus**

**THE COLUMBIAN** Airline, is to become the first Latin American company to operate an Airbus Industrie A300 B4 wide-bodied aircraft. It will be introduced on the Columbia-Miami routes to-day, agencies report. The airline is also holding an option on another A300. The wings for the Airbus were designed and built by Hawker Siddeley Aviation.

For the equivalent period last year.

The Soviets were able to almost double their processed chemicals exports to West Germany which had a value of Dm312.1m. for the first nine months of this year compared with a value of only Dm16.1m. for the equivalent period last year.

West Germany is the Soviet

Union's largest Western trading partner.

Figures for West German-Soviet trade for the first nine months of 1977 released by the West German Embassy show that the value of trade during the first three quarters of 1977 came to DM7.6bn, a decrease of 3.3 per cent from trade valued at DM8.4bn for the first nine months of 1976.

West German exports, over-

whelmingly finished and semi-

finished goods, declined 8.8 per

cent, to DM4.6bn, from the equivalent period last year.

Soviet exports to West Germany mainly raw materials, declined to DM3.0bn this year, 10.1 per cent less than the value of exports for the first nine months last year, which was DM3.4bn.

The Soviets, however, were able to offset their deficit in trade with West Germany because the decline in Soviet exports to West Germany was smaller in absolute terms than the decline in German exports to the USSR. The balance is in favour.

They attributed the decline to

commercial competition partici-

pated largely from France and the Soviet

desire to balance trade with West Germany which has in past years run heavily in West Germany's favour.

The fall in the overall volume of Soviet-West German trade is consonant with the overall decline in Soviet trade with the West during the first three quarters of 1977 which was detailed in recently issued comprehensive Soviet trade statistics.

West Germany is the Soviet

Union's largest Western trading

partner and German commercial

sources on the basis of the nine

months' figures said that bilateral

trade for 1977 will be lower

than for 1976.

The Soviets, however, were

able to offset their deficit in

trade with West Germany because the decline in Soviet exports to West Germany was smaller in absolute terms than the decline in German exports to the USSR. The balance is in favour.

They attributed the decline to

commercial competition partici-

pated largely from France and the Soviet

desire to balance trade with West Germany which has in past years run heavily in West Germany's favour.

The fall in the overall volume of Soviet-West German trade is consonant with the overall decline in Soviet trade with the West during the first three quarters of 1977 which was detailed in recently issued comprehensive Soviet trade statistics.

West Germany is the Soviet

Union's largest Western trading

partner and German commercial

sources on the basis of the nine

months' figures said that bilateral

trade for 1977 will be lower

than for 1976.

The Soviets, however, were

able to offset their deficit in

trade with West Germany because the decline in Soviet exports to West Germany was smaller in absolute terms than the decline in German exports to the USSR. The balance is in favour.

They attributed the decline to

commercial competition partici-

pated largely from France and the Soviet

desire to balance trade with West Germany which has in past years run heavily in West Germany's favour.

The fall in the overall volume of Soviet-West German trade is consonant with the overall decline in Soviet trade with the West during the first three quarters of 1977 which was detailed in recently issued comprehensive Soviet trade statistics.

West Germany is the Soviet

Union's largest Western trading

partner and German commercial

sources on the basis of the nine

months' figures said that bilateral

trade for 1977 will be lower

than for 1976.

The Soviets, however, were

able to offset their deficit in

trade with West Germany because the decline in Soviet exports to West Germany was smaller in absolute terms than the decline in German exports to the USSR. The balance is in favour.

They attributed the decline to

commercial competition partici-

pated largely from France and the Soviet

desire to balance trade with West Germany which has in past years run heavily in West Germany's favour.

The fall in the overall volume of Soviet-West German trade is consonant with the overall decline in Soviet trade with the West during the first three quarters of 1977 which was detailed in recently issued comprehensive Soviet trade statistics.

West Germany is the Soviet

Union's largest Western trading

partner and German commercial

sources on the basis of the nine

months' figures said that bilateral

trade for 1977 will be lower

than for 1976.

The Soviets, however, were

</div

## CBI to have talks with Varley about industrial strategy

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

TALKS AIMED at reaching a compromise between the Government and the CBI on industrial strategy decided a few weeks ago planning and participation to try to co-ordinate the CBI into planning discussions as the next stage agreements, the Bullock Report in development of the industrial and the industrial strategy, are strategy.

Yesterday, Mr. Varley said in London when discussing general issues with the CBI to accept that industrial issues: "We need more companies should start planning co-operation from the CBI within the framework of the industrial and with civil servants as a way strategy."

The strategy's issues needed to be discussed formally within companies, and the CBI ought to take an initiative on this." The Industry Department's Permanent Secretary, Sir Peter Carey, has been leading a joint committee of civil servants and CBI representatives in recent weeks to find some compromise.

### Overtures

The aim has been to enable the CBI to accept joint discussions within companies as a formal part of the industrial strategy without scaring them off because of the overtones of planning agreements.

Now, however, the CBI might decide to tell the Government that it could be much easier to persuade companies to experiment in this area if they were told first that the Government had totally abandoned the Bullock Report on worker directors.

At present the Government is intending to publish a White Paper by the early spring. This is expected to embrace the Bullock concepts and the alternative industrial democracy approach favoured by some unions of employees being given statutory rights in consultations and disclosure of information on company plans.

At the same time, however, the Government is under pressure from its Left-wing because of its failure to produce widespread planning agreements in industry.

## Steel users demand Government action

BY ROY HODSON

QUICK GOVERNMENT action on the steel crisis British Steel is to the U.S. would include more than \$500,000 losing £10m. a week—Sir Richard says that any demanded to-day by the British Iron and Steel Consumers' Council.

Sir Richard Marsh, chairman, points out that British steel-using industries account for nearly 20 times as much employment and exports as British Steel itself.

Mr. Gerald Kaufman, a junior minister at the Department of Industry, is heading an inquiry appointed by the Prime Minister to report on the country's long-term iron and steelmaking needs by next month.

### Target

The Kaufman report will take into account recommendations from Whitehall and the steel industry that the nationalised industry should lower its sights for export business there is likely to be a surplus of steel in the Western world for years to come. British Steel has been working towards a theoretical target of installing enough new steelmaking capacity to export 6m. tonnes a year. Some experts think a more realistic export target to be nearer 2m. tonnes a year. That intervention.

## Laker seeks Skytrain route to Los Angeles

**LAKER AIRWAYS** has applied for a Skytrain route from London to Los Angeles, bringing it into direct conflict with British Caledonian.

The application, which the Civil Aviation Authority published today, is for daily return flights to Los Angeles at a round-trip price of about £250.

British Caledonian said it would oppose Laker because it is a newcomer to the route.

Mr. Freddie Lake, chairman of the airline, said he was confident that his application would be approved. The political climate in the U.K. and the U.S. has moved dramatically in favour of the consumer. All the authorities now believe in the economic benefits of competition."

He hoped that the permit would be granted in six months rather than the six years it took



FREDDIE LAKE: "Political climate is right."

to start the London-New York Skytrain.

Mr. Lake dismissed British Caledonian's claim to the Los Angeles route in 1974 because of the fuel crisis while only British Airways had been retaining its CAA licence.

British Caledonian's planned objection to the Laker application means there will be a public hearing to decide whether the licence should be granted.

707 long-range fan-engined aircraft at a total cost of £44m.

British Caledonian suspended its Los Angeles route in 1974 because of the fuel crisis while only British Airways had been retaining its CAA licence.

British Caledonian's planned objection to the Laker application means there will be a public hearing to decide whether the licence should be granted.

## £2.4m. loan by Crown Agents was 'too much'

THE CROWN AGENTS lent £2.4m. on insufficient security and agreed to postpone indefinite repayment of interest, the Appeal Court was told yesterday.

The loan was made to Murrayfield Securities in December 1972. After it had been made the Crown Agents were told that it was £700,000-£800,000 more than needed.

But the Crown Agents refused to accept immediate repayment of the excess, Mr. Lionel Swift, QC, said.

Mr. Swift was appearing for the sureties for the loan—which was not repaid. They are challenging a judgment of Sir Robert Megarry, the Vice-Chancellor, last May.

The sureties are Mr. Philip Frederick and Mr. Hyman Solomons, both of Redbuck House, Palace Street, Westminster, and 33-37 Baker Street (Investments) of Holborn Viaduct, London.

They say the Vice-Chancellor did not deal with an important question of fact concerning an alleged oral agreement made by the Crown Agents and Murrayfields five days after the loan yesterday.

Sir Robert held that there was no hint of such an agreement in the correspondence between the parties and that a "high degree of guilfiness" would be required for the court to accept that such an agreement had been made.

Mr. Swift said the sureties wished to introduce the Fay Report of the Crown Agents as additional evidence in the appeal.

"It appears to show that the Crown Agents were participating in transactions of a very similar kind, if not of precisely the same kind, as the appellants say took place in this case."

The hearing continues to-day.

## Finnish buyer likely for Scottish Timber

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTTISH Timber Products, the U.K.'s largest independent chipboard maker until it collapsed three months ago, is likely to be taken over as a joint venture between Pelos of Finland and the Scottish Development Agency.

The Finnish company, which also makes chipboard, has emerged as the front-runner among three potential buyers. The others, Kronospan of Wales and Bisonwerke of West Germany, have virtually dropped out.

The deal is expected to be signed next week. The agency's involvement could be as much as 49 per cent.

The new company will enter the U.K. market when demand is depressed and other manufacturers have asked the Depart-

ment of Trade to consider import restrictions.

Initially it might employ only about a third of the original workforce of 380. Pelos has indicated that the figure could rise to 250 if production increased.

When it failed, Scottish Timber had a turnover of £9m. a year from its factory at Cowie, Stirlingshire, and accounted for nearly a third of British production.

The fall in sales this year combined with increased repayments on a loan raised in D-Marks forced the company into liquidation.

Its debts have been estimated at £8m. Creditors include the Scottish Economic Planning Department and the Bank of Scotland.

## Drink still the principal industry in Scotland

BY CHRISTINE MOIR

THE IMPACT of North Sea oil has not displaced drink as Scotland's most important industry, according to a survey published yesterday.

Only one oil company, Burmah Oil, features in the top 10 Scotland-registered companies ranked by sales, but there are two whisky distillers—Distillers Company and Arthur Bell—and one brewery, Scottish and Newcastle.

The third largest company, Coats Patons, the thread makers, followed by the contractors Redpath Dorman Long, United Biscuits, House of Fraser, Scottish and Newcastle, John Menzies, the booksellers, Weir Group, engineers, and Arthur Bell.

On profitability, seen as the ratio of pre-interest profits to Price £12.

tangible capital employed, whisky exporting takes all top five places, headed by MacDonald Greenlees with D. and J. McCallum, William Sanderson, James Martin and Distillers Agency close behind.

Only a handful of the companies in the top 500 operate solely in Scotland. Most have a wide national or international spread.

However, they continue to pay employees considerably lower wages than either foreign-owned companies in the U.K. or UK public or quoted companies ranked on a national basis.

Scotland's Top 500 Companies 1976. Jordans Databank, 47, Brunswick Place, London, N1.

## Inquiry to study costs of taxi services

By Elinor Goodman,  
Consumer Affairs Correspondent

TAXI FARES are to be investigated by the Price Commission, Mr. Roy Battlesley, Prices Secretary, confirmed yesterday.

The examination will cover the fares, costs and margins of taxis all over the country, and will include mini-cabs as well as licensed taxis.

The inquiry, which should be completed by the end of June, will not prevent London taxi fares going up by 10 per cent next week, though the commission could, when it has finished its investigation, recommend restrictions in prices in future.

It could also comment on the way in which taxis are licensed by the Home Office and so entitled to pay for hire in a way which mini-cabs are not.

### Price increase

Mr. Battlesley said that he hoped the inquiry would show the varying costs of different kinds of taxi services. The Licensed Taxi Drivers' Association, which has often been at odds with the mini-cab operators, seems to be hoping that it will demonstrate the need for a further price increase.

The association had hoped that the Home Office would allow its members to raise their fares by 25 per cent this month, but the increase was cut to 10 per cent.

The Price Commission said yesterday that it was allowing Cadbury Schweppes Foods to raise its prices in the full 7.5 per cent the company wanted, while the increase was investigated.

The rise was allowed under a preliminary study of its accounts by staff. Earlier this month, one person was found guilty of misappropriating car parking fees and another prosecution is pending.

The council decided to commission Deloitte and Company and Binder Hamlyn because it had wider experience of commercial auditing and considerable benefits from its operations.

## Norwegian company sues Phillips for late delivery

FINANCIAL TIMES REPORTER

PHILLIPS PETROLEUM is to be sued for failing to deliver Kr-350m. (£35m.-£40m.) by the Teesside site. The problem is estimated to have cost Phillips Petroleum £28m., bringing the total cost of the Teesside oil complex to £77m. for the Babble.

Phillips had previously rejected proposals from Norely to extend its terminal at the Teesside site for an out-of-court settlement.

The labour problems among sub-contractors employed by Norsk Hydro, one of the partners in Norely, said last night that a lawsuit would be averted unless there were a "new move" by Phillips in the very near future.

Phillips said there was "nothing like this in the wind at the moment." It confirmed that a legal action was under way to undermine the economics on which the Rafnes-Petroleum petro-chemicals complex was based.

Norsk Hydro, whose other partners in Norely are Esso and Sama Petroliem, has a 10 per cent stake in the project.

The delay has forced Norway to buy feedstock on the open market at high prices. The market is underlined by the economies of scale on which the Rafnes-Petroleum petro-chemicals complex was based.

Phillips said that the inquiry would be completed by the end of June, will not prevent London taxi fares going up by 10 per cent next week, though the commission could, when it has finished its investigation, recommend restrictions in prices in future.

It could also comment on the way in which taxis are licensed by the Home Office and so entitled to pay for hire in a way which mini-cabs are not.

### Price increase

Mr. Battlesley said that he hoped the inquiry would show the varying costs of different kinds of taxi services. The Licensed Taxi Drivers' Association, which has often been at odds with the mini-cab operators, seems to be hoping that it will demonstrate the need for a further price increase.

The association had hoped that the Home Office would allow its members to raise their fares by 25 per cent this month, but the increase was cut to 10 per cent.

The Price Commission said yesterday that it was allowing Cadbury Schweppes Foods to raise its prices in the full 7.5 per cent the company wanted, while the increase was investigated.

The rise was allowed under a preliminary study of its accounts by staff. Earlier this month, one person was found guilty of misappropriating car parking fees and another prosecution is pending.

The council decided to commission Deloitte and Company and Binder Hamlyn because it had wider experience of commercial auditing and considerable benefits from its operations.

The proposal preceded publication on Thursday of a White Paper on prevention and health, which is also to recommend increased taxation on higher tar cigarettes and alcohol as a method of dissuading consumers.

The Brussels meeting, the first of its kind, will hear papers from Britain and France and will cover the economic aspects of the proposal.

A BRITISH proposal for additional taxation on higher tar cigarettes and alcohol as a method of fighting disease and mutual assistance in the event of catastrophe or epidemic.

However, Mr. Ennals is not likely to be given an EEC green light to introduce differential taxation in the U.K., nor will he be given Community support for the same measure to be introduced by the other members of the Nine.

Instead, the matter is likely to be one of many to be referred back to the Commission for further study and consideration and, in the event of any EEC recommendations, to be passed to EEC Finance Ministers for consideration.

Mr. Ennals has long argued that high tar cigarettes should be subject to a special supplementary tax. Advertising of high tar brands has already been voluntarily ended and sales of the cigarettes will be phased out by the end of March 1979.

Additionally, advertising of middle-to-high tar brands will be removed; the previous high tar cigarettes will be phased out by December 31 next year.

The publication of the White Paper follows a report by Commons Select Committee headed by Mrs. Renée Short.

Approval has been given by all the parties concerned to a compromise deal on a special supplementary tax. Advertising of high tar brands has already been voluntarily ended and sales of the cigarettes will be phased out by the end of March 1979.

The planning applications have been refused and a "stop" notice issued after buildings were completed with the earlier knowledge and support of the council.

The whole project was a waste of resources in an era of severe unemployment and inflation.

After the council raised an objection to the matter, Lord Justice Sparrow directed that it be brought before a court as soon as possible.

The appeal is expected to last at least 10 days. The initial hearing, before Mr. Justice White, lasted 20 days.

Water industry scheme ignoring democracy

BY DAVID CHURCHILL

GOVERNMENT PROPOSALS for restructuring management in the water industry were attacked as undemocratic yesterday by the Association of Metropolitan Authorities.

The association, commenting on the Government's recent White Paper on the water industry, said that the proposals were "moving the industry further away from democratic control and public accountability."

Ministers had declared their support for relaxing central control in such industries as water, but when given the opportunity to do so had increased

This announcement appears as a matter of record only.



Autopistas de Cataluña y Aragón,  
Concesionaria Española, S.A.

D.M. 19,000,000

Fixed rate loan due 1984

guaranteed by

Caja de Pensiones para la Vejez y de Ahorros  
de Cataluña y Baleares

This financing was arranged by

Richard Daus & Co.

Bankers

Hans W. Petersen

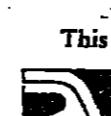
and provided among others by

Bankhaus Hermann Lampe  
Kommanditgesellschaft

The undersigned acted as financial advisor to the borrower in connection with the above transaction.

Smith Barney, Harris Upham & Co.  
Incorporated

This announcement appears as a matter of record only.



## HOME NEWS

# Sea oil provides half our needs — survey

BY ROY HODSON

NORTH SEA OIL accounted for nearly 50 per cent of Britain's requirements during the third quarter of the year, according to Energy Trends, the statistical bulletin of the Department of Energy.

The North Sea supply for July, August and September contributed 9,989m. tonnes towards the total needs for the period of 21,754m. tonnes.

North Sea oil accounted for nearly 40 per cent of total crude oil supply during the first nine months of this year, compared with 9 per cent in the same period last year.

## Coal figures

The bulletin says the promising North Sea oil production figures are offset by failing coal production. Deep-mined coal output in the three months from August to October was 2 per cent lower than in the same period a year ago.

The tonnages were 23,357m. tonnes this year and 23,824m. tonnes in the same period last year. But open-cast mining production improved by nearly 20 per cent to 3,609m. tonnes for the three months this year compared with 3,022m. tonnes for the same period last year.

Electricity demand in the first nine months of 1977 was 5.1 per cent higher than in the same period last year. Advanced gas-cooled reactors influenced the pattern of electricity generation.

The proportion of electricity generated by nuclear stations this year rose to 14.4 per cent, compared with 12.8 per cent in the same period last year.

## Teachers back truancy plan

THE GENERAL Teaching Council for Scotland yesterday approved a proposal for special "day units" to be set up to deal with problem pupils and persistent truants.

Under the proposal, made by a committee of inquiry, truants and problem pupils would be picked up from home each day and taken to the unit for education, assessment and treatment, with the aim of returning them eventually to their normal schools.



Ashley Ashwood

## British Airways seeks talks with Malaysians

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. GORDON DAVIDSON, Airlines, which thought it had British Airways Concorde jumped into the big league of director, flew to Kuala Lumpur supersonic civil aviation, now yesterday for talks with the finds itself with British Airways High Commission there in hope of unravelling the problems facing a break in Concord flights unless a solution can be found in next few days.

Both airlines hope this can be done, but Malaysia clearly has the wherewithal and can afford to sit back and force concessions if it chooses.

The airlines admit that a break in the continuity of Concorde flights would be expensive. It would also involve a substantial loss of face in a part of the world where these matters are of considerable importance.

Malaysian objections were first voiced last week. British Airways then obtained permission for more flights through Indonesian air space.

By Malaysia's objection to Concorde it agreed to supersonic flights through its air space last January.

The view prevailing in Singapore is that the objections may be less concerned with aviation and more with the complexities of Malaysian political relationships with Singapore.

Undoubtedly, the Singapore Government is deeply embarrassed by the affair. Singapore was rassed by the affair.

No more

In the possibility of such a break in services cannot be ruled out, however. If it occurred it could last some weeks, depending on what conditions Malaysia sought to impose.

The alternative of seeking permission for more flights through Indonesian air space does not seem viable. Captain Tony Meadows, the pilot on last Friday's inaugural flight, went to Jakarta at the weekend to explain the situation but was apparently told that Indonesia would permit no more trips.

The British Embassy in Jakarta is believed to be still negotiating although Indonesian

Government appears to indicate that chances of more flights are slim.

MR. ROBIN LEIGH-PEMBERTON (above), chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

internationalisation

of our business."

He joined the original, family-owned BCC company as deputy of this week.

Mr. Gordon Davidson, chairman of the National Westminster Bank, officially opened the bank's foreign exchange dealing room in the City yesterday by sending a symbolic message over a private teleprinter to Bahrain.

The new trading room, known as the bank's world money centre, brings together the previous international money desk — the foreign exchange department of NatWest and the Eurocurrency dealing room of the wholly owned subsidiary, International Westminster Bank.

Mr. Leigh-Pemberton said:

"The opening of this new

branch marks a significant

step forward in our

</div



Norwich

# The Norwich way is to speak the business language of Europe.

In France, perfume is a great industry and mimosa an important ingredient in its manufacture.

So it is on the hills above Grasse, where mimosa grows wild, that Monsieur

Philippe Bonne of Norwich Union Insurance discusses with Monsieur Cetto, top parfumeur,

aspects of the business of their mutual client, Lancôme.

Why does a famous French perfume house like Lancôme turn to Norwich Union for important insurances?

Like most successful

companies Lancôme know the value of expert advice. They appreciate that

Norwich Union

are specialists with an informed and sympathetic understanding of their clients' business and its insurance needs.

Although many major international companies enjoy Norwich Union's personal approach to insurance, it isn't reserved for big names only.

Take your problems to

Norwich and you'll find they speak your language too.



## PARLIAMENT and POLITICS

### POLISH SHIPS ROW

# Cost to taxpayer £28m., says Varley

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

**THE POLISH** shipbuilding deal man, British shipping was orders for a total of 48 ships. There now remained £10m. in threatened by undercutting of the fund out of the original £65m. rates by the Comecon nations—the very group to which we were Mr. Nott had complained that general would have full access to all the papers.

Mr. Eric Varley, Industry Secretary, told the Commons last night as he came under bitter attack from the Tories.

Accusing the Opposition of trying to wreck the shipbuilding industry, he declared: "There have been allegations that much larger amounts of public funds will be spent to subsidise this order. This is simply not true."

The Tories, who have been pressing for more details on the deal for several weeks, moved a motion to reduce Mr. Varley's salary by half. In effect, this was a personal censure motion over the way he has handled the transaction.

Mr. John Nott, Conservative trade spokesman, opening the debate, thought that the total amount of subsidy could be as high as £38m. when all the factors were taken into account.

"Once the Polish government committed us to this order, the Poles have taken us ever since for one long ride," said Mr. Nott. The intervention fund had been used frugally and the sum spent from it so far covered

orders for a total of 48 ships. The Commons Public Accounts Committee and the Auditor General would have full access to all the papers.

Mr. Varley stressed that the House should not press him for details of any similar deals made in the future. He maintained that to do so would damage the interests of the industry and the taxpayer.

Opening the debate, Mr. Nott said that the British Government had been at the forefront of efforts to restrain and lambast the Japanese for their protectionist policies and a week or two ago Mr. Callaghan had protested to the French about the extension of credit to Russia.

It had been made clear some time ago, he said, that the necessary financial arrangements would be met by the British side of the partnership. The joint venture company would charter ships to PZM for 13 to 15 years.

The Industry Secretary told the House that one British shipowner had been offered the same percentage subsidy as the one offered to the Poles. But the British company had rejected the offer and had placed its order abroad instead.

The EEC Commission was wholly satisfied that the arrangements for the deal met all the rules. Officers of his Department

were also satisfied. In due course, the workers in the yards are going to deteriorate at an accelerating pace if this goes on.

Mr. Varley stressed that the House should not press him for details of any similar deals made in the future. He maintained that to do so would damage the interests of the industry and the taxpayer.

Opening the debate, Mr. Nott said that the British Government had been at the forefront of efforts to restrain and lambast the Japanese for their protectionist policies and a week or two ago Mr. Callaghan had protested to the French about the extension of credit to Russia.

"Here we have, in my view, it is this same Government which, in this deal, is extending the frontiers of shipbuilding credit and protection beyond every method so far used by any other country."

Mr. Nott said subsidies were merely prolonging the slump in world freight rates. Until world freight rates recovered and supply of ships from world yards had not provided any alternative demand, job prospects would grow worse and worse.

Mrs. Margaret Balmer (SNP, Dunbartonshire E) said she

was also satisfied. In due course, the workers in the yards are going to deteriorate at an accelerating pace if this goes on.

Mr. Varley stressed that the House should not press him for details of any similar deals made in the future. He maintained that to do so would damage the interests of the industry and the taxpayer.

Opening the debate, Mr. Nott said that the British Government had been at the forefront of efforts to restrain and lambast the Japanese for their protectionist policies and a week or two ago Mr. Callaghan had protested to the French about the extension of credit to Russia.

"Here we have, in my view, it is this same Government which, in this deal, is extending the frontiers of shipbuilding credit and protection beyond every method so far used by any other country."

Mr. Michael Grylls (C, Surrey NW) likened the deal to "selling tanks to Rommel." It was supreme folly to subsidise the merchant fleet of the Communist world to compete against our own."

Mrs. Margaret Balmer (SNP, Dunbartonshire E) said she

### Assurance on BA replacement aircraft

By IVER OWEN

IN CONSIDERING proposals for equipping British Airways with new aircraft, the Government will take account of "wider interests" as well as the commercial judgment of the airline itself, Mr. Stanley Clinton Davis, Under Secretary for Trade, told the Commons yesterday.

He disclosed that there is to be an early meeting between Sir Frank McFadzean, British Airways chairman, Mr. Edmund Dell, Trade Secretary, and Mr. Eric Varley, Industry Secretary, on Thursday.

Members of the TUC Textile Committee are expected to have a separate meeting with the two Ministers.

Mr. Dell confirmed that the EEC Council of Ministers will decide its position on the renewal of the MFA next Tuesday. He declined to give any assessment of the outcome of the bilateral negotiations—the figures were still being studied—in advance of the meeting with textile industry leaders.

Mr. Davis made it clear that at present the evaluation of the relative merits of the various possible replacement aircraft was a matter for British Airways.

He was asked by Mr. Michael McNair-Wilson (C, Newbury) if British Airways would be allowed the freedom to use its own commercial judgment without interference in ordering any new aircraft.

Mr. Davis stressed: "While it is perfectly true that British Airways is entitled to use its commercial judgment in arriving at a fair evaluation of competing quotations, the matter does have to come to the Secretaries of State who must, of course, be able to look at wider interests too."

"But the commercial judgement of British Airways is obviously a very important criterion."

He added that the Government would look very carefully at the December sales figures and the forecast for next year before deciding what powers it might grant.

Mr. Meacher said that although there were tariff problems in selling British cars in Japan, the main problem was to change the British Airways to buy foreign aircraft.

Mr. Davis agreed that the morale of workers in the British aircraft industry must have been adversely affected by the suggestion that British aerospace was out of the running.

"Events of recent years have tragically dashed those hopes. The dole queues are back again, public expenditure has been cut, productive resources are idle and living standards have declined."

In a key passage, he accused the Tories of wishing to put the clock back to 1926 and the climate of the General Strike.

Mr. Benn declared that 1978 must be a year for boldness in putting forward fundamental solutions to deal with fundamental weaknesses in our present economic system."

Pointedly quoting the words of Mr. Hugh Gaitskell when he entered Parliament after the war, Mr. Benn described capitalism as "unjust, inefficient, and a system which produces insecurity."

Stressing that Labour's top priority was to develop its links with the trade unions to agree and campaign together for a joint programme, the Energy Secretary stated the central policies it should contain.

Britain's oil revenues should be used to finance a long-term economic strategy to regenerate the country's manufacturing base and expand public services and a view that places the Left squarely at odds with the Chancellor and prevailing Treasury wisdom, which accords top priority to the need to cut taxes.

Other vital points were: the creation of 1m. new jobs by 1980; adequate protection for British interests in the EEC; the development of industrial democracy; allowing trades unions to move closer to joint control of industrial decisions; and lastly, more open government and a reduction in the inequality of wealth and power.

Mr. Benn said that oil savings of up to 10m. tons a year could be achieved. At the end of the ten year period, this could be worth £700m. a year at current prices.

He told MPs that £35m. would

# Dell hopes textile industry can look to happier future

BY IVOR OWEN, PARLIAMENTARY STAFF

When Mr. Douglas Boyle (Abecor and Colne) spoke about transitional arrangements, Mr. Dell assured him this was one of the matters under consideration.

Mr. Max Madden (Sowerby) stressed the heavy effect of imports from Hong Kong and South Korea.

It is understood that the British Textile Confederation will see Mr. Dell and Mr. Eric Varley, Industry Secretary, on Thursday.

While declining to give an assessment of the outcome of the bilateral negotiations, it is emphasised that their object is to ensure that the industry would be able to look forward to improvement.

In similar vein, he told Charles Fletcher-Cook (C, Don) that he hoped next week's decision by the EEC Council of Ministers would result in British industry having "happier future."

### Minister waits for new Japan car sales figure

AFTER A significant increase in the level of Japanese car imports this year, future figures had to be "more acceptable," Mr. Michael Meacher, Under Secretary of State for Transport, said in the Commons yesterday.

Mr. Meacher said that although British motor industry had improved its own performance, unless it did so, even if Japanese imports were limited, countries would fill the gap.

Mr. Meacher said the productivity performance of the car industry had been on the main reasons for the solid increase in imports. In the industry produced 1.5m. To-day, the figure was 1.6m.

This compared with 1.5m. in 1976.

Mr. John Golding, Under Secretary for Employment, stated the whole of 1976.

### Pay strikes increase

INDUSTRIAL STOPPAGES arising from pay disputes in the first ten months of 1977 showed a 14 per cent increase over the figure was 1.316, representing 91 for the whole of 1976. MPs were cent of the total of 1.3m.

This compared with 91.5m. in 1976.

Mr. John Golding, Under Secretary for Employment, stated the whole of 1976.

in existing ones. A comprehensive document would be issued soon as possible.

"The Government has discussions with the industry on possible targets raising the average mpg per gallon achieved by new cars on methods of achieving targets."

He added that £500,000 would be spent on incentives and publicity aimed at encouraging motorists to keep their vehicles well maintained and to use more economical ways.

The Government planned to give local authorities up to £7m. a year to produce efficient energy management and insulation heating controls. The precise sum would depend on talks with local councils.

A 10-year programme of bringing public sector homes up to a minimum standard of thermal insulation would be launched. This would involve treating over 2m. buildings and would have major social benefits. The precise sum for this purpose would be eligible for central Government housing subsidies.

Provision was being made for expenditure of £15m. over four years.

Mr. Benn said that the Government was considering bringing in building regulations for the installation of heating systems in new non-domestic buildings and their replacement.

He added that £500,000 should be achieved by measures such as tax relief.

Mr. Tom King, Shadow Secretary of State for Employment, welcomed the package but said it was too early to say whether it had been finalised.

Mr. King said the package was the last of the major trials to bring about such a package.

Meanwhile, the Department of Commerce said in Britain grants of 40 to 50 per cent of the cost of research and development projects to a value of £500,000 would be available to Northern Ireland factories.

It was giving details of a scheme first announced by Mr. Mason in August to new products and processes.

### Benn puts energy-saving plan to cover cars and homes

be spent to improve insulation and heating controls in hospitals and NHS buildings. Another £70m. would go on making similar improvements in educational buildings.

The Government planned to give local authorities up to £7m. a year to produce efficient energy management and insulation heating controls. The precise sum would depend on talks with local councils.

A 10-year programme of bringing public sector homes up to a minimum standard of thermal insulation would be launched. This would involve treating over 2m. buildings and would have major social benefits. The precise sum for this purpose would be eligible for central Government housing subsidies.

Provision was being made for expenditure of £15m. over four years.

Mr. Benn said that the Government was considering bringing in building regulations for the installation of heating systems in new non-domestic buildings and their replacement.

He added that £500,000 should be achieved by measures such as tax relief.

Mr. Tom King, Shadow Secretary of State for Employment, welcomed the initiative of the non-aligned countries in calling for a special session of the UN General Assembly devoted to disarmament next May and June.

### Left beaten in defence debate bid

AN ATTEMPT, largely by Left-wing Labour MPs, to force the Government to hold a debate on supplementary estimates for defence totalling more than £427m., was defeated in the Commons yesterday.

The Government had a majority of 161 on a procedural motion allowing MPs to pass civil and defence estimates "on the nod" without debate. Voting was 243 to 82.

The Left-wing protest was led by Mr. Ron Thomas (Bristol NW) who pointed out that 33 MPs had backed a move to reduce the supplementary defence estimates by £259m.

"There is no question that we wish to reduce in any way the pay of the armed forces. Many Labour MPs feel that at least the ordinary squaddie is a very good case for an increase in excess of 10 per cent," Mr. Thomas declared.

He was supported by Mr. Frank Allaun (Lab, Salford E) who argued: "We are entitled to debate this. This is government without explanation. It is government by concealment."

Unexpected support for the Left-wingers came from Mr. Ian Gow (C, Eastbourne) who argued that failure of backbench MPs to scrutinise the conduct of the executive and the spending of large sums of money would be a betrayal of the trust imposed on them.

Dr. David Owen, Foreign Secretary, yesterday called for practical measures to halt the cancer of weapons proliferation.

He told the Royal College of Defence Studies: "The ultimate object is general and complete disarmament under strict and effective control. This will require expert study and patient, determined negotiation."

Dr. Owen stressed: "We are not interested in vain propaganda gestures."

"In the last analysis, we shall only succeed if we can remove the incentive to acquire weapons."

That means pursuing detente on a world-wide scale and reviewing our efforts to eliminate the political and security problems

officials to clarify the facts which you base your before committing yourself to detailed talks with any parties."

Talks between the SDLP and Northern Ireland Office took place yesterday.

Last week, the exploratory meetings received a mixed response when the Official Unionists were pessimistic about the talks.

But the Northern Ireland Office is to press on to see if discussions between the SDLP and the Official Unionists will be worthwhile.

Meanwhile, the Department of Commerce said in Britain grants of 40 to 50 per cent of the cost of research and development projects to a value of £500,000 would be available to Northern Ireland factories.

It was giving details of a scheme first announced by Mr. Mason in August to new products and processes.

Bank opened

Mrs. D. C. Bray, wife of Hong Kong Governor, opened the new branch of the Bank of China in Hong Kong and Shanghai Banking Corporation in Central, Hong Kong, on December 13, 1977.

The West End of London.

### We've got the connections.

Our network can reach all four corners. Our name may imply we're Belgian, but our network says we're international.

It says we have the ability to service clients not just through 1060 branches in Belgium, but also through our subsidiaries, affiliated and associated banks. As well as through representative offices in major business centers, stretching from Rio to Tokyo.

Why we sometimes open our ears instead of another office. We think that sometimes it can be just as efficient to rely on our local correspondents.

We also have other ears at work for you through our membership in SFE and ABECOR.

This is what gives us the local touch around the world. So we can give you the insider's edge wherever you do business.

**Banque Bruxelles Lambert**  
the person-to-person bank

Banque Bruxelles Lambert. The ABECOR bank in Belgium. 24 avenue Maréchal Joffre, 1050 Bruxelles. Tel. 02 515.81.81. Telex 26392 BELIN

\*S.F.E. affiliate. \*\*Representative office. \*\*\*Joint representative office.

I have it's



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## • TRANSPORT

### Tells the passenger how to get there

OF IMPORTANCE to the travelling public at large, but also to known for its systems work to all the organisations which solve particularly difficult problems of the complex transport networks of large cities, is an electronic route adviser which could be a centre of attraction when the Queen opens the £30m Piccadilly Line extension to London's Heathrow Airport on December 16.

All a passenger has to do is to press one of the 270 buttons on the operating console, designating the particular London Underground station he wishes to travel to.

In either English, French, or German, the equipment will instantly flash on to a 20-inch screen the appropriate route.

Ten well-differentiated colours are used to trace the route and the directions are provided in clearly legible characters at points where the enquirer has to change trains. LTE-preferred journeys are the ones indicated, and should there by any special information relevant to one of the stations on the route, this will also come up on the display.

The whole unit, together with the microelectronics driving it, was designed by Warren Point,

Further details from Warren Point at Prospect Place, Welwyn, Herts AL6 9EW. 0438 71 6055.

### Easy tappet adjustment

DEVELOPED by Engineering Research and Applications, is an air gauging system that enables semi-skilled personnel to adjust most car valve tappet clearance within a relatively short time to within 0.001 in.

There are no mechanical gauging fixtures, the only connection between the engine and the setting aid being a short air hose connected to the spark plug and adjusted to the spark plug aperture of the appropriate cylinder.

The aid gauges the clearance More from London Road, by monitoring the air flow Dunsdale, Beds (0582 62301).

### Adds winch to tractor

AN HYDRAULICALLY operated a single lever in the cab. The group has also introduced a new three point linkage for any fully or semi-mounted ploughs or other implement, for fitting to crawler tractors. Operation of both the draught links and the top link is by hydraulic cylinders controlled from the cab. The top speed of 18 ft/min at a link is positioned so that a drive hydraulic pressure of 2500 psi can be taken from the tractor and motor throughput of 8 gpm. It can be attached or detached in minutes, freeing the tractor for other duties. Operation is by 4411.

Calibury believes this to be the first distress radio equipment specifically designed for the valve and its seating when a calibrated oversized setting blade is inserted between the tapet and valve stem.

The equipment measures any leakage past the piston ring, memorising the figure electronically so that calibration can be altered accordingly. The operator then inserts the blade and adjusts the tapet screw until a pointer on a meter comes within a green zone.

The aid gauge the clearance More from London Road, by monitoring the air flow Dunsdale, Beds (0582 62301).

### • METALWORKING

### Resurfacing cuts costs

LATEST EQUIPMENT from Eutectic is a simple-to-operate flame spraying unit for flame spraying metal for more economic operation.

Eutectic is a simple-to-operate flame spraying unit for flame spraying metal for more economic operation.

The RotoLoy unit uses an oxy-acetylene torch, to which is attached a container of metal powder. The powder is gravity fed into a venturi, where it is picked up by a blend of oxygen from the main supply, and delivered to the flame.

For applications where the torch is in continuous use, another carrier gas, such as carbon

Corp's survival units and the U.K. group approached Calibury Electronics with this particular design requirement. OSCER is the acronym for the unit which consists of a self-contained and self-powered transmitter/receiver working on the international distress frequency. It has been approved to the exacting MPT1205 specification and its associated environmental requirement and its range in northern European waters is over 100 nautical miles.

Nozzles of varying lengths, with 45 or 90 deg. angled tips, are available for coating internal surfaces.

The pre-calibrated control valves supply oxygen at a pressure of 4 bars and acetylene at 0.63 bars, to produce a neutral flame of the correct velocity. No adjustment is required if the torch is pre-set to achieve optimum results.

Deposition rate of the coating is between 3 and 8 kg/hour, and thicknesses usually range from 1 to 4 mm. The component to be coated must be rotated, for example in a lathe, to give a surface speed of 20 to 25 metres/minute—the torch is traversed laterally 3 to 5 mm.

Deposited thickness per pass is 0.2mm. The maker can supply automatic traverses for the equipment for large, or continuous applications.

There is a range of 18 metal powders available to produce the correct coating on mild steels, alloy steels, and stainless steel, as well as cobalt, nickel, aluminium and copper based alloys.

Selection of the powders is based on the service requirements of the component, and can provide resistance to abrasion, friction, corrosion and heat.

As examples of the savings that can be achieved, the company quotes an impeller pump shaft in ENS steel, 6 feet 6 inches long by 31 inches in diameter and weighing about 4 cwt. The two bearing journals on the shaft, a total of 24 inches long, were coated 30 thou deep—total cost, including labour, machining and consumables, was £94, while a replacement shaft would cost £891.

On a smaller scale, a mild steel shaft 3 feet 6 inches long by 1½ inches diameter had a 5 inch long worn journal coated 40 thou deep. This repair cost £15, compared with a new shaft costing £50.

Details of the process and equipment from Eutectic Co., North Feltham Trading Estate, Feltham, Middlesex, TW14 0UE. Tel: 01-890 3880.

TONY FRANCIS

● By agreement between the Financial Times and the BBC Information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

## • ENERGY

### Saves boiler fuel

MINIMISING excess air on shell point and load condition and the boilers fired by rotary burners necessary trimming signal is relayed to a motor which can be done electronically with the combustion air setting unit developed by the combustion division of the Pool, Dorset. In some cases — for example firm of Hamworthy Engineering, multi rotary burners with a common stack of units under high suction with air ingress — an oxygen feedback system is not suitable. In this event the oxygen analyser is replaced by fuel and combustion air flow sensors of the type used in the Hamworthy

oxide cell which measures the air/fuel ratio control system. The oxygen level in a sample of flue gas drawn off from the stack by an extractor fan. The cell is which again relays the trim-link to an electronic processor which transmits an electric signal to the set point control unit. Here the oxygen level, as represented by the electrical turndown range, is compared to the set. More on 0213 4533.

## • COMPUTING

### Reduces the workload

TEKTRONIX has introduced two microprocessor-based options for its storage display terminals, the 4014 and 4015.

These 19-inch terminals now store graphics symbols and user-defined character sets locally and can also set up, scale and user local interactive definition reposition graphics pictures of special character sets, scaling independently of the central rotation and circle generation.

The two options could, depend on circuit boards that incorporate reduction of 50 per cent or even up to 32k of random-access processor workload.

Current users of 4014 and 4015 POB 69, Harpenden, Herts, HA1 4JU. Tel: 0344 77456.

Tektronix, Beaverton, House, Harpenden, Herts, HA1 4JU.

The machine will generate cyclic loads to simulate inertia forces acting on parts of the building when it moves up and down during a major earthquake. The computer involved can be up to 100 hours and tape recordings of actual seismic data can be used for realistic simulation of the effects on the building.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Thought to be part of the biggest display terminal system in the UK, the VDU's will be used in writing centres throughout the immediate access to all details. U.K. Orders worth £1m have been placed with Harris Systems operated by the group.

The underwriting centres will also have source data capture

installations in the U.K. insurance industry which will be used in writing centres throughout the U.S. and Canada. The VDUs will be used in on-line transaction work to an IBM 370/165 at the data for all types of policy.

company's administration head, Harris Systems is on 0462 53426.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure to give extra safety for simulating the first pulse of an earthquake.

Believed to be the largest machine of its type ever exported from the UK, it electronically controlled and test, both in tension and compression. The stretching frame is over 8 metres high and weighs 35 tons. Maximum width between the crosshead and plate is 4 metres, and the maximum area between the columns is 1000 x 750 mm.

The single hydraulic pump responds in 1/80th second, apply a load up to 1,000 kN, is powered by a 300 kW hydromotor. Two hydraulic accumulators store additional nitrogen pressure

# The Management Page

James Bartholemew describes how the Hestair group not only came through the financial crisis of 1973-74 but went on to consolidate and develop its assets.

## A survivor from the go-go days

THE RECENT publication of buyer backed off. Hestair's two books on Slater-Walker has gearing ratio thus rose to 200 per cent. in the January, 1974, balance-sheet.

Most of the go-go companies which were famous then — such as Jessel Securities, Vassar and Triumph Investment Trust have disappeared or remain only shadows of their former selves. But Hestair, less famous at the time, survives. Why?

Starting rather behind the rest of the field, David Hargreaves, now its chairman and leading light, went through his Extel cards looking for an "asset situation." He found it in Hestair — formerly the Hestair Aircraft Company — which was incurring losses but was sitting on land right next to the M4 motorway. He bought the company in 1970 for debt/equity ratio between the \$700,000 and immediately sold dates must have been considerably in excess of 200 per cent.

This jump in gearing could not have come at a worse time. Minimum lending rate was then standing at 13 per cent, money was tight and Slater made his famous but ultimately unsuccessful "dash for cash." The secondary banking crisis arrived and whizz-kids were bowled over like nine pins. Yet, despite this difficult background and the high gearing, Hestair survived and actually raised its profits by 71 per cent, in the following year.

Two things marked out Hestair from the average go-go company at that time and enabled it to come through. Most of the new conglomerates were stuffed with portfolio investments, associates (shareholdings of 20 to 50 per cent in other companies) and, in some cases, loans. They found that earnings of associates which had looked so good on paper did not materialise as cash flow when they were really needed.

The bare dividends on invest-

ments, which had been bought tancy, was management tech-

on yields of only 2 or 3 per cent. So when he stripped it the current year.

But Hestair has also had overdrafts costing about 14 per cent and the stock market was in free fall. And nesses which remained. And at Stanhay (agricultural equipment) and SOS Bureau (an employment agency) for example have been in the face

of the crisis he was able to produce genuine growth in trading profits.

The most spectacular example of difficult circumstances and companies. The interest of this was Dennis Motors. This had been bought in 1972 and profits in 1976 when some other

high-flying companies which were also in trouble, even though trading profits were frequently not paid.

Hestair's assets were quite dif-

ferent. True, a portfolio of

shares existed but the book value was only £1.3m. compared with gross tangible assets of £22.7m.

There were no associate companies whatsoever and only one of the investments (a French company) came anywhere near to being one. There were no loans to any company outside the Hestair group.

In fact the assets consisted

of the normal ones for an industrial company. And like other industrial companies Hestair instituted an economy drive;

local companies on to the site

and giving them interviewing facilities. Many of the redundant Dennis workers obtained jobs in this way.

Having cut the operation

down to a viable base, Hestair

set about developing it. The

production systems were re-

organised and money was put

into improving product design

and marketing.

Then Hestair at last had some

good luck. The jump in oil

prices which had ruined the

Ray Turner deal provided a

spring-board for Dennis Motors.

The new rich of the Middle East

apparently wanted special

vehicles like Dennis fire

engines. The opportunity there

actually a bona fide industrial and in other countries over-

manager. His stock-in-trade, was pursued with deter-

mination after spending his twenties in mining and exports rose from

industry and a further nine only £30,000, at the lowest

years in management consul-

point after the takeover, to an

expected minimum of £12m. in

successes where good luck was entirely absent. Profits growth market was in free fall. And nesses which remained. And at Stanhay (agricultural equipment) and SOS Bureau (an employment agency) for example have been in the face

of the crisis he was able to produce genuine growth in trading profits.

The most spectacular example of difficult circumstances and companies. The interest of this was Dennis Motors. This had been bought in 1972 and profits in 1976 when some other

high-flying companies which were also in trouble, even though trading profits were frequently not paid.

Hestair's assets were quite dif-

ferent. True, a portfolio of

shares existed but the book value was only £1.3m. compared with gross tangible assets of £22.7m.

There were no associate companies whatsoever and only one of the investments (a French company) came anywhere near to being one. There were no loans to any company outside the Hestair group.

In fact the assets consisted

of the normal ones for an industrial company. And like other industrial companies Hestair instituted an economy drive;

local companies on to the site

and giving them interviewing facilities. Many of the redundant Dennis workers obtained jobs in this way.

Having cut the operation

down to a viable base, Hestair

set about developing it. The

production systems were re-

organised and money was put

into improving product design

and marketing.

Then Hestair at last had some

good luck. The jump in oil

prices which had ruined the

Ray Turner deal provided a

spring-board for Dennis Motors.

The new rich of the Middle East

apparently wanted special

vehicles like Dennis fire

engines. The opportunity there

actually a bona fide industrial and in other countries over-

manager. His stock-in-trade, was pursued with deter-

mination after spending his twenties in mining and exports rose from

industry and a further nine only £30,000, at the lowest

years in management consul-

point after the takeover, to an

expected minimum of £12m. in

successes where good luck was entirely absent. Profits growth market was in free fall. And nesses which remained. And at Stanhay (agricultural equipment) and SOS Bureau (an employment agency) for example have been in the face

of the crisis he was able to produce genuine growth in trading profits.

Hestair's assets were quite dif-

ferent. True, a portfolio of

shares existed but the book value was only £1.3m. compared with gross tangible assets of £22.7m.

There were no associate companies whatsoever and only one of the investments (a French company) came anywhere near to being one. There were no loans to any company outside the Hestair group.

In fact the assets consisted

of the normal ones for an industrial company. And like other industrial companies Hestair instituted an economy drive;

local companies on to the site

and giving them interviewing facilities. Many of the redundant Dennis workers obtained jobs in this way.

Having cut the operation

down to a viable base, Hestair

set about developing it. The

production systems were re-

organised and money was put

into improving product design

and marketing.

Then Hestair at last had some

good luck. The jump in oil

prices which had ruined the

Ray Turner deal provided a

spring-board for Dennis Motors.

The new rich of the Middle East

apparently wanted special

vehicles like Dennis fire

engines. The opportunity there

actually a bona fide industrial and in other countries over-

manager. His stock-in-trade, was pursued with deter-

mination after spending his twenties in mining and exports rose from

industry and a further nine only £30,000, at the lowest

years in management consul-

point after the takeover, to an

expected minimum of £12m. in

successes where good luck was entirely absent. Profits growth market was in free fall. And nesses which remained. And at Stanhay (agricultural equipment) and SOS Bureau (an employment agency) for example have been in the face

of the crisis he was able to produce genuine growth in trading profits.

Hestair's assets were quite dif-

ferent. True, a portfolio of

shares existed but the book value was only £1.3m. compared with gross tangible assets of £22.7m.

There were no associate companies whatsoever and only one of the investments (a French company) came anywhere near to being one. There were no loans to any company outside the Hestair group.

In fact the assets consisted

of the normal ones for an industrial company. And like other industrial companies Hestair instituted an economy drive;

local companies on to the site

and giving them interviewing facilities. Many of the redundant Dennis workers obtained jobs in this way.

Having cut the operation

down to a viable base, Hestair

set about developing it. The

production systems were re-

organised and money was put

into improving product design

and marketing.

Then Hestair at last had some

good luck. The jump in oil

prices which had ruined the

Ray Turner deal provided a

spring-board for Dennis Motors.

The new rich of the Middle East

apparently wanted special

vehicles like Dennis fire

engines. The opportunity there

actually a bona fide industrial and in other countries over-

manager. His stock-in-trade, was pursued with deter-

mination after spending his twenties in mining and exports rose from

industry and a further nine only £30,000, at the lowest

years in management consul-

point after the takeover, to an

expected minimum of £12m. in

successes where good luck was entirely absent. Profits growth market was in free fall. And nesses which remained. And at Stanhay (agricultural equipment) and SOS Bureau (an employment agency) for example have been in the face

of the crisis he was able to produce genuine growth in trading profits.

Hestair's assets were quite dif-

ferent. True, a portfolio of

shares existed but the book value was only £1.3m. compared with gross tangible assets of £22.7m.

There were no associate companies whatsoever and only one of the investments (a French company) came anywhere near to being one. There were no loans to any company outside the Hestair group.

In fact the assets consisted

of the normal ones for an industrial company. And like other industrial companies Hestair instituted an economy drive;

local companies on to the site

and giving them interviewing facilities. Many of the redundant Dennis workers obtained jobs in this way.

Having cut the operation

down to a viable base, Hestair

set about developing it. The

production systems were re-

organised and money was put

# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telex: 336241/3, 333287

Telephone: 01-948 8000

Tuesday December 13 1977

## The Tory test on Europe

**THE QUESTION** to be put to Westminster MPs is whether British members of another hung Parliament shall be elected by a system of proportional representation or by the traditional British system of first-past-the-post. If the House votes for PR, the elections can go ahead — as was agreed with our European partners — in May or June next year. If, instead, it opts for first-past-the-post, the work involved in drawing up the required constituencies will mean postponement until 1979.

### Harmful

The point about timing is not necessarily overriding. In no way would one wish to suggest that the House should choose a voting system that it regards as unsatisfactory for the sake of meeting a European target date that could certainly be put back without provoking anything like a major Community crisis. But nor is the point to be lightly dismissed. Postponement, at the very least, would cause a certain amount of inconvenience: it would not be easy, for example, for the nine member states, all of whom have their own domestic timetables to consider, to agree on an alternative date. Moreover, postponement would also be taken as a further sign that Britain's heart is not really in the Community at all.

It follows from that that those Members of the House who regard themselves as Europeans will need to produce very strong reasons indeed to justify voting against the PR system. They will have to demonstrate not only that PR would be harmful in itself, but also that it would be more harmful than the damage done by postponing the elections. This argument applies, in particular, to the Tories, for it is the Tory Party which has called itself the "Party of Europe," and it is Tory votes which could yet sway the division to-night in favour of PR.

The first argument that the Tories should dismiss is that PR in Europe necessarily opens the door to PR at Westminster. There need be no inevitability in defeating it, it will be hard to take their European people who determine the credentials any more seriously than those of the present system of voting in general than those of the present elections will continue to be Government.

### Credentials

The Tories have it in their power to prevent that happening in to-night's vote. As it happens, PR is not only the one way of ensuring that the elections take place on time, it is also the system better suited to the occasion. If the Tories succeed in defeating it, it will be hard to take their European

## No stampede to spend

**TWO SETS** of statistics issued of pay increases, slackening inflation yesterday suggest that the nation and tax reductions will gradual revival in demand at produce a marked improvement which the Government is aim in real purchasing power. Whether a moderate increase than hoped for. In the first in personal consumption will be place, the provisional retail sales figures for November capital investment in industry to suggest that spending continued the level forecast and hoped for to fall in November for the another month. This year's fourth month in succession. This forecasts have been heavily marked down from an originally expected increase of 15-20 per cent, to one now of only 7 per cent. Next year's planned increase is officially put at 12-17 per cent, but it remains to be seen whether this represents a postponement of investment or another overestimate. The report on short-term trends issued yesterday by the Little Noddy for the mechanical engineering industry reports that orders and output next year are now expected to be "substantially" lower than originally forecast. It regards the 12-17 per cent increase forecast for manufacturing industry as "optimistic."

**Capital doubts**  
The main reasons the Little Noddy gives for doubts about investment in general are the margin of idle capacity and the low expected level of real profit. In the specific case of mechanical engineering, it mentions further the effect of sterling appreciation on export profit margins, though pointing out that many overseas competitors in a similar position are looking for opportunities to raise prices. The export problem, however, centres on the fact that capital investment everywhere is lagging behind earlier expectation. And it is not only in the U.K. that much of the capital investment which is taking place will replace rather than expand capacity. To the extent that consumers are more ready to replace rather than expand capacity. To the extent that this replacement is intended to meet the increase in consumer credit. Many retailers do save labour, it will do nothing decisively upwards until the to bring down the level of spring, when the combination unemployment.

### Slightly up

The latest news from large retailers, in fact, is that sales since the turn of the month have been much better and that Christmas turnover will probably be slightly up in real terms on last year. But it is unwise to trace any lasting trend in what happens during the fortnight before Christmas. The only hard evidence so far that consumers are more ready to replace rather than expand capacity. To the extent that this replacement is intended to meet the increase in consumer credit. Many retailers do save labour, it will do nothing decisively upwards until the to bring down the level of spring, when the combination unemployment.

Geoffrey Owen discusses the results of government intervention in industry in France and Britain

# Picking the winners and letting the losers go

**COMPETITION** from the third world and to a lesser extent from the Soviet bloc is posing a serious threat to the old industrial nations. The only possible response, short of outright protectionism, is to put more resources into knowledge-intensive industries which manufacture products of high added value; at the same time the less sophisticated sectors in which the new competitors have a comparative advantage must be allowed to run down.

It is easy to agree in principle that this redeployment of resources is necessary, how to achieve it is quite another matter. Is it enough to rely on market forces, as in West Germany, to bring about a greater degree of specialisation in technically advanced industries, or is the Japanese system of administrative guidance a better model to follow? Can the political and social obstacles to redeployment be overcome?

These are the dilemmas of industrial policy. They are especially acute for France and the U.K., two second-rank industrial powers which are caught in the cross-fire between their more powerful German, Japanese and American competitors, on the one hand, and the challenge from the third world on the other. In both countries Government have intervened to try to improve the structure and competitiveness of industry, with results that are widely regarded as unsatisfactory. In France the debate about the future of industrial policy has been sharpened, not just by the intensity of world competition, but by the approaching election, with the parties of the Left committed to a big extension of public ownership. In the U.K. the phrase "industrial strategy" is on every Minister's lips, but no one is very sure what it means.

In theory it is possible to pick out a number of sectors where a country ought to be able to compete and to work out a plan whereby one or two selected companies, with Government backing, can achieve international stature. The plan may take the form of nationalising the industry, or nationalising one leading company (in whole or in part), or giving selective support to that company. French experience with nationalisation (leaving aside the public utilities like electricity, gas and telephone) has been mixed. Renault has been British Leyland's Special Products division could be used as the chosen instrument and chemicals group. But, as a recent study<sup>1</sup> has pointed out, there have been special factors in both cases. Renault had the good fortune to be operating in a fast-growing industry and, to such a course, in view of the financial weakness of its parent, would be formidable. More commonly policymakers have to make do with the character and, of course, success

of individual companies than crises, in which political fac is unlikely to yield worthwhile results. In the U.K. the British are still arguing over which reactor to choose and what sort of industrial organisation should handle it. The French, after dropping their nationally designed reactor, made up their minds earlier to go for an American light water reactor and to set up a strong company, dominated by Creusot Loire but with a minority Westinghouse interest, which is now an effective competitor in world markets.

In drawing up plans for sectoral intervention, it is sometimes possible to use a dynamic public-sector company as the nucleus for rationalisation. Just as Renault has diversified into other branches of engineering, Elf has been allowed to expand its interests in pharmaceuticals and fine chemicals — though France has a long way to go before it has a chemical company to match the three German giants or ICL. Similarly, French experience with nationalisation (leaving aside the public utilities like electricity, gas and telephone) has been mixed. Renault has been British Leyland's Special Products division could be used as the chosen instrument and chemicals group. But, as a recent study<sup>1</sup> has pointed out, there have been special factors in both cases. Renault had the good fortune to be operating in a fast-growing industry and, to such a course, in view of the financial weakness of its parent, would be formidable. More commonly policymakers have to make do with the character and, of course, success

### SOME INDUSTRIAL LEADERS IN FRANCE AND BRITAIN

(The table does not include foreign owned companies)

Sector	State-controlled	Private or semi-private		State-controlled	Private or semi-private
		Steel	Automobiles		
Cars	Elf-Aquitaine	Renault	Peugeot-Citroen	Leyland BNOC	BP Shell
Oil			CFP		ICI
Chemicals		Elf-Aquitaine	CDH-Chimie <sup>2</sup>	Rhone-Poulenc	BPNCS
Nuclear engineering				Pechiney Ugine Kuhlmann	GEC
Heavy electrical equipment				Alsthom-Atlantique <sup>6</sup>	NEI
Computers				CI-Honeywell-Bull <sup>7</sup>	ICL
Telecommunications				Thomson-CSF <sup>8</sup>	GEC
Electronic components				CIT-Alcatel <sup>9</sup>	Plessey
Aircraft		SNIAS (Aerospatiale)	Dassault-Breguet <sup>11</sup>	British Aerospace	Ferranti
Aero-engines		SNECMA	Rhône-Poulenc	Rolls-Royce	Courtauld
Synthetic fibres					ICI
Tires			Michelin	Dunlop	BOC Ind.
Industrial gases			Air Liquide		

**NOTES:**  
 1. Government holds 70%. 2. Government holds 35%. 3. Subsidiary of coal mining group. 4. Creusot-Loire. 5. Nationalised. 6. In which Westinghouse of the U.S. and the French Atomic Energy Authority have minority stakes. 7. Nationalised. 8. State Corporation is owned 30% by GEC, 35% by Atomic Energy Authority, 35% by other state-owned companies. 9. State-owned by Thomson and by the French state-owned engineering group. 10. Honeywell of the U.S. owns 47%. 11. Machines built in which GEC and Government hold 53%. 12. NEI holds 24%. 13. The Thomson-Brandt group recently acquired stakes in two British and two French companies, becoming an important supplier of telecommunications equipment. It is the U.K. government which controls 50% of voting shares.

Where the chosen company has outstandingly good management, the Government is clear and consistent in what it wants to do and market conditions are favourable. Intervention can succeed. On nuclear reactors the British are still arguing over which reactor to choose and what sort of industrial organisation should handle it. The French, after dropping their nationally designed reactor, made up their minds earlier to go for an American light water reactor and to set up a strong company, dominated by Creusot Loire but with a minority Westinghouse interest, which is now an effective competitor in world markets.

In electronic components, particularly integrated circuits, neither country has yet found a way of fighting back successfully against American domination. The U.K. Government has provided financial support and has promoted the idea of rationalisation between Plessey, Ferranti and the Dutch-owned Mullard, but with meagre results so far. In France, where Thomson-CSF is the leading company, there is talk of forging a new alliance with one of the big American producers such as Fairchild. Steel companies may need to move out of steel-making, shipyards out of building ships, and it is difficult for a monolithic corporation to show the necessary flexibility.

In drawing up plans for sectoral intervention, it is sometimes possible to use a dynamic public-sector company as the nucleus for rationalisation. Just as Renault has diversified into other branches of engineering,

Elf has been allowed to expand its interests in pharmaceuticals and fine chemicals — though

France has a long way to go before it has a chemical company to match the three German giants or ICL. Similarly, French experience with nationalisation (leaving aside the public utilities like electricity, gas and telephone) has been mixed. Renault has been British Leyland's Special Products division could be used as the chosen instrument and chemicals group. But, as a recent study<sup>1</sup> has pointed out, there have been special factors in both cases. Renault had the good fortune to be operating in a fast-growing industry and, to such a course, in view of the financial weakness of its parent, would be formidable. More commonly policymakers have to make do with the character and, of course, success

in their treatment has been in response to sudden crises, in which political factors are unlikely to yield worthwhile results. In the U.K. through advocates of more systematic intervention want to guard against a repetition of, for example, the Pochain affair.

Where the chosen company has outstandingly good management, the Government is clear and consistent in what it wants to do and market conditions are favourable. Intervention can succeed. On nuclear reactors the British are still arguing over which reactor to choose and what sort of industrial organisation should handle it. The French, after dropping their nationally designed reactor, made up their minds earlier to go for an American light water reactor and to set up a strong company, dominated by Creusot Loire but with a minority Westinghouse interest, which is now an effective competitor in world markets.

In electronic components, particularly integrated circuits, neither country has yet found a way of fighting back successfully against American domination. The U.K. Government has provided financial support and has promoted the idea of rationalisation between Plessey, Ferranti and the Dutch-owned Mullard, but with meagre results so far. In France, where Thomson-CSF is the leading company, there is talk of forging a new alliance with one of the big American producers such as Fairchild.

In all these sectors the objective is to create companies which, over a period of years, can carve out a large enough share of the world market to become international leaders. Companies like Moulins in France and BSR in Britain already hold a dominant place in their particular fields.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

increases in return for specific gains in one of the country's commitments on investment, most renowned engineering rapidly, the aim must be to make the conditions in some people in the Labour agree to a rescue by one of which new entrepreneurial companies will flourish. Perhaps

some agreements used in this what the country needs is not

country. One can easily imagine French economy is still a "counterpart to General Electric of the U.S.," he said.

In the study of French experience referred to earlier Government is the passive receiver, while the authors put forward a blueprint of their suggestions mainly on competition of international enterprises, providing worst of all worlds. Should it go macro-economic policies, great

# FINANCIAL TIMES SURVEY

Tuesday 13 December 1977

Under  
impetus  
of  
change

by Robert Graham  
Madrid Correspondent

# SPAIN

Despite—some may say because of—its growing economic problems, political and social change in Spain has reached the point where it probably cannot be reversed. But there is still ample evidence of the Old Guard.

JUDGMENT OF THE changes fissional Services, formally incorporated as a state body with some 30,000 employees and a budget of \$300m. Its definition of beauty: dependent on the eye of the beholder, although it has not interfered much with the legalisation of trades which moved quickly towards unions (which are very short of reforming itself into a part funds).

Democracy. Yet many members of the majority of the old institutions and ministries, the political institution which sustained Francoism, have now moved into the political parties, not the least of these being the Prime Minister himself, Sr. Suárez. The principal extent of the transformation, self. Sr. Suárez. The principal is deceptive because it has sources of power which are so orderly. From the ported Franco are still clearly identifiable. The armed forces, in Carlos through the holding the guardians and guarantors of Spain's first democratic Franco's Spain, have not been since 1936 in June to purged. When the Communist establishment of a moderate Party was legalised just before the June elections, it prompted the resignation of the Navy Minister, Admiral Pita da Veiga as seemed as though it is and considerable unrest within same orchestra playing the higher echelons of the armed forces under a different con-

or instance the former Minister of Information, previously responsible for Spain's press

ship, has transformed into the Ministry of Culture and Tourism. The build is the same and so are the servants watching over the number of publications, and frivolous, that are to attract readers from a really deprived public. The *Indicadores*, the all times up to three days after the event.

The numerous intelligence services, beholden to various ministers or the military, have Gutiérrez Mellado. The General, "privileged circuits," funds

not been disbanded. Extreme right-wing organisations are shown a degree of tolerance that the left does not enjoy despite the odd token arrest. Armed right-wing militant groups like the picturesquely called but sinister Guerrilleros de Cristo Rey, are able to carry out acts of thuggery and political violence like the burning of left-wing bookshops often unreported in the Press.

Added to this, the financial structures which provided life-giving support to the Franco regime remain in place. The banking system in particular is still basically in the hands of families or institutions run by individuals who regard democracy with mistrust.

All these elements are a strong restraining force on the restoration of democracy in Spain, accounting in large part for the kid glove approach of the King and the political parties. Nevertheless, it is difficult to strike a median between exaggerating and underestimating the strength of these forces. This applies especially to the role of the police remain the same which enforced order under the dictatorship, and their mentality appears to have altered little, evidenced by the earlier way they continue to treat demonstrators or the withholding of arrest announcements—some times up to three days after the event.

The armed forces may not have been purged of any members, but they now have a sion. Bank secrecy for the first liberally-minded Minister of time has been lifted for tax purposes. General Manuel Gutiérrez Mellado: The General, "privileged circuits," funds



appointed by the King to run a reorganized ministry which controls all arms of the services, made a symbolic gesture before taking office in July—he voluntarily renounced active service in the armed forces.

More generally, the armed forces, if they have acquired the minimum sensitivity to public opinion, should realise that if the military sought to influence the political process too clumsily they would provoke a strong popular reaction.

Just as significant, the financial structures of Francoism, though surviving, are under pressure because of the recessions, but they now have a sion. Bank secrecy for the first liberally-minded Minister of time has been lifted for tax purposes. General Manuel Gutiérrez Mellado: The General, "privileged circuits," funds

institution of monarchy.

This could not be taken for granted at the outset, or indeed when the seven man inter-party constitutional committee began to frame a new constitution. In the event, according to the recently leaked constitution text, Spain will opt for a "parliamentary democracy," the either is the cumulative influence of Western Europe and the U.S. in wishing to see Parliament, six months old, has had neither the time, nor the real authority in the absence of the formulation of a new constitution, to prove itself. Decisions have tended to be made at the level of party leaders. Nevertheless, the accountability of government has been evidenced by the broad programme of political and economic reforms known as the Moncloa Pact which Sr. Suárez persuaded the opposition Communist and Socialist Parties to sign in October.

Sr. Suárez knew that to obtain a form of social contract, binding the country's workforce to an unpopular limit on wage demands, was impossible without the active support of these two parties. The trade-off was a Government commitment to implement a whole series of structural reforms in education, social welfare, housing and tax matters, very much aspects of the opposition Left's electoral platform.

One suspects that the political parties, the majority of the leaders of the Spanish political parties, is far enough down the road of accepting as a member of the

EEC the quicker and surer guarantee of political stability. However, the complexity of this new enlargement of the EEC makes for an uncertain timetable.

At home the political timetable provided there are no interruptions, is expected to run like this: municipal elections will be held in the spring. This, coupled with full union elections for factory works councils, will give the first real indication of the country's mood; the Constitution will then be approved in the autumn so paving the way for new general elections.

There are two unknowns in this scenario. Spain is attempting to introduce democracy at a time of economic recession and rising unemployment. Economic performance will be a determining factor in political stability and in retaining the style of consensus politics that Sr. Suárez has adopted.

The other unknown is how demands for regional autonomy, accepted in principle by the government, will develop. The recent violent riots in Malaga provoked by the local authorities' refusal to fly the Andalusian flag are a reminder of the volatility of the situation. Likewise the disruptive capacity of those elements in the Basque nationalist guerrilla organisation ETA that still insist on violence should not be underestimated. Nevertheless, Spain has come far enough down the road of democracy to take some stopping.

## Isolation

General Franco turned Spain into a diplomatic leper and only this year has the country begun to emerge from this isolation. For instance Sr. Suárez's visit to London in October as part of a round of Common Market preliminary soundings was the first official visit to the U.K. by a Spanish Prime Minister since the Civil War. Diplomatic relations were restored earlier this year with the Soviet Union and East European ministerial delegations have begun for the first time since the Civil War to visit Madrid. Priority is now being given to the application to join the EEC. The overall

Community belief, shared by the majority of the leaders of the Spanish political parties, is that the sooner Spain is accepted as a member of the

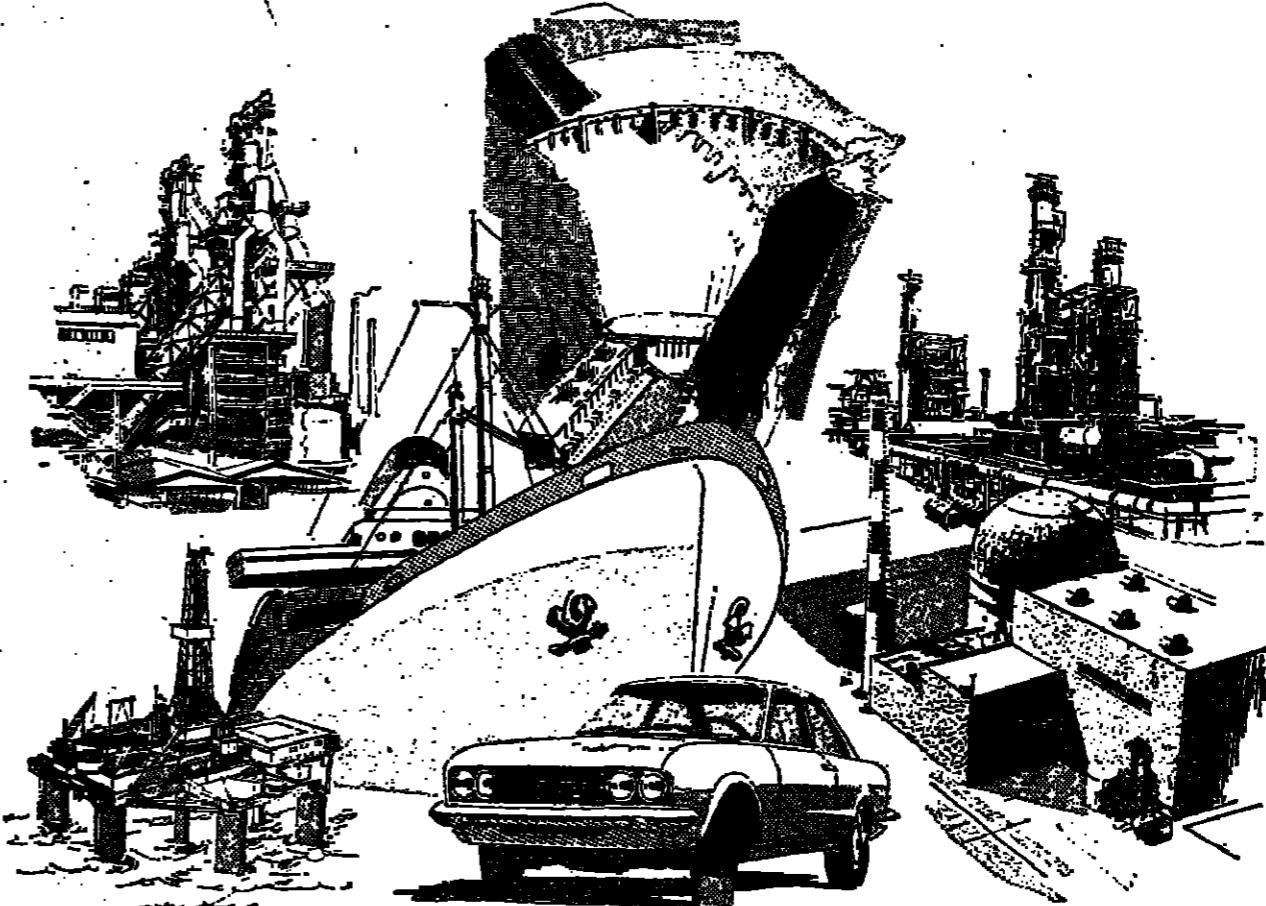
## BANCO URQUIJO

At the heart of Spanish industry

At the service of international companies and individuals and their activities in Spain.

Banco Urquijo is both the leading merchant bank and the largest private industrial group in Spain, with direct investments in more than three hundred Spanish companies covering all sectors of the country's economy from cement to shipbuilding, steel to motor manufactures.

So it's not surprising that many international companies have sought our help in becoming established in Spain. If your company is not yet represented in Europe's highest growing potential economy, why not contact us at any of the following addresses.



### MADRID MAIN OFFICE AND BRANCH

Avenida de la Constitución, 2  
Tel. 34 22 00  
Telex: 27282 and 27002

### INTERNATIONAL DIVISION

Avenida José Antonio, 4 - Tel. 404 20 53

Sub-Branch

Ser. Angla de la Cruz, 11 - Tel. 455 75 04

Velázquez, 49 - Tel. 245 78 01

### BARCELONA

Paseo de Gracia, 27

Tel. 301 60 00 - Telex: 54570

Sub-Branch

Muntaner, 242 - Tel. 218 61 50

### ALICANTE

Rambla de Méndez Núñez, 40

Tel. 20 88 72

### BILBAO

Callejón de la Cuesta, 6

Tel. 442 07 50 - Telex: 32527

Sub-Branch

Rodríguez Arias, 27 - Tel. 432 26 00

### CÁDIZ

Avenida Ramón de Carranza, 19

Tel. 22 50 00

### GUERNICA

Margen de San Esteban, 2

Tel. 34 22 00

### HUELVA

Quintela de Llano, 13 - Tel. 21 60 07

### OVIÉDO

Avenida José Antonio, 10 - Tel. 24 37 66 (provisional)

### SEVILLA

Avenida José Antonio, 10

Tel. 22 65 33 y 22 08 01 - Telex: 72682

### TARRAGONA

Calle de València, 105 - Tel. 21 39 30

### VALENCIA

Pintor Sorolla, 6

Tels. 322 42 90 y 321 13 05

### VIGO

Avda. José Antonio, 9

Tel. 22 79 50

### VITORIA

Paseo de la Constitución, 1

Tel. 34 28 53 - 47 62 13

### ZARAGOZA

Avenida Marina Moreno, 20

Tel. 22 93 81 - Telex: 58183

### LONDON

BANCO URQUIJO HISPANO AMERICANO LTD.

8, Lawrence Peppercorn Hill

London EC4R - ONE

Tel. 283 79 51 - Telex: 687258

### NEW YORK

NEW YORK AGENCY

One Liberty Plaza - 45th Fl.

New York, NY 10045

Tel. 212 781 05 00

Tel. 212 620 00 00

ITC - 425 760

RCA - 225 00 95

### MONTREAL

URQUIJO CANADA INC.

Suite 2004 - St. Luc Building

Montreal - P.O. 148 227

Tel. 514 878-1138

### FRANKFURT

Bockenheimer Landstrasse, 45

6000 Frankfurt/Main

Tel. 7 203 43 4 - IMB: 416255

### TEHERAN

311 Building Gorgan 10

193 Iran-e-Navin Ave.

Tel. 66 19 30 - 55 19 70

Telex: 215048 WMOC IR

215127 WALT IR

### ABU DHABI

Lulu Street, P.O. Box 5308

Tel. 26400

Telex: 2530 URQUAH AH

3344 URQUAH AH

INN  
Means:  
of Spain's Industrial Investment  
of Spain's Industrial Exports  
of Spain's Gross Industrial Product  
of Spain's Industrial Workforce

INN  
Spain  
Instituto Nacional de Industria  
Address: Paseo Marqués de Salamanca, 8, Madrid 6-Spain.  
Telephone: 401 40 04-402 31 35-401 40 08



06.18  
51568 bgub e  
to financial times  
from banco garriga nogués - barcelona - spain  
13/12/77

- founded before 1829, we are affiliated to banco español de crédito, the greatest banking group in spain.
- our head office in barcelona has a team of people specialising in the foreign trade area, with permit offer you a first class service.
- we are established in the most important places in spain.
- for quick service, we have correspondents all over the world. in london, barclays bank international.
- some firms of our group and part-owned companies:
  - BGW INTERNATIONAL, concerned with the management, development and promotion of international economic relations.
  - BGA PATRIMONIO, a company for the administration and management of personal capital and company assets, aimed at dealing with a limited number of customers.
  - CIA. FINANCIERA FIDUCIARIA ARNUS GARI, dedicated to the business of financial consulting in its widest sense.
  - ESPANIMO. this company, has built and rented large industrial buildings.
  - INDUSTRIAS DEL PAPEL Y LA CELULOSA. this is the main industry for the manufacture of kraft paper.
- if you want contact us, please note our address:  
BANCO GARRIGA NOGUÉS - ramblas, 140 - barcelona 2 (spain).  
phone: (93) 317-92-00.  
telex: 51568 bgub e.  
regards. banco garriga nogués.

06.20  
51568 bgub e



## banco condal

31.12.76

Capital: Ptas. 2,160,000,000.  
Reserves: Ptas. 424,877,385.

### HEAD OFFICE & INTERNATIONAL AREA

Via Layetana 69 - Barcelona - 3  
Tele: 3187200 (24 lines)  
Telex: 54071

Affiliated Bank:

BANCO PENINSULAR - Madrid

**SPAIN IS** now experiencing its sicker that the problems inherent in implementing the Moncloa Pact will lead to its failure, 1960s. The indicators, whether with a continued unacceptable high level of inflation, a wage policy in ruins and no improvement in business confidence. Unemployment is rising with some areas, especially the south, recording the highest unemployment ratios in Europe. Even official statistics, which are very much on the conservative side, show the jobless total up by over 50 per cent on last year. Credit is being squeezed, while both demand and investment is falling off, the most noticeable sectors being capital goods and construction. Added to this, Spain is saddled with an inflation rate now running just under 30 per cent a year—the highest rate within the OECD.

This is a gloomy catalogue of ailments for the economy and it is worth adding one important rider. Although there is little dissent as to the present state of the economy, opinions vary enormously as to likely performance in 1978. A turnaround hinge on the success of the broad economic programme—the Moncloa Pact—formally approved in October by both the main opposition parties and the Government. The programme has thus far had no time to demonstrate whether it is working and judgments will only be possible by April or May next year.

Nevertheless the optimists—and there are a surprisingly large number among those closely involved with the economy—believe Spain is now approaching the bottom of the trough. They believe that the credit squeeze strategy began to be formulated is having the required effect and after the elections but devaluation that major improvements have been already made in reducing the payments deficit. The pessimists, on the other hand, con-

clude that the peso is natural in the absence of an overall economic strategy. This believe that the credit squeeze strategy began to be formulated and indirect taxes which will raise fiscal revenue by some 25 per cent.

Reluctance to devalue was a move which should have been taken much earlier, and the delay cost the reserves over \$1.2bn.

The payments deficit is the most important element implemented

before the Moncloa Pact.

The basic premise of the pact is that inflation can be reduced to manageable proportions (a rate of 15 per cent, by the end of 1978) and the payments deficit reduced by dampening demand through a tight ceiling on wages and strict control of the money supply. Already for the final four months of this year the growth in money supply will be reduced to an average 18.2 per cent (against the annual average of the first eight months of 20.3 per cent). This will be further curtailed to 17 per cent in 1978.

This curb will be backed by cutbacks in State spending and a tougher control of the overall budget deficit which this year has jumped from \$400m. to just under \$1.5bn. Budget estimates for 1978 project a deficit only marginally higher.

At least 10 per cent has been taken off original spending estimates, but even so the Government has been obliged to adopt a much more socially-oriented budget with increased funds allocated to education and more particularly to social security. Thus spending will still increase at over 25 per cent.

Social security has for the first time been incorporated into the budget, as part of a major reshaping of the budget format, and accounts for 40 per cent of the proposed total outlay of Ptas. 3,207bn. It is hoped that the inflationary effects of these increased expenditures will be offset by increased direct and indirect taxes which will raise fiscal revenue by some 25 per cent.

The pact envisages new guidelines to cover the financing of the overall budget deficit. The most important of these is the resort to a large public debt issue for the first time. Approval has been given to two issues of Ptas 20bn. each, the equivalent of \$240m. The first was launched in early December. Both will carry an attractive 10.25 per cent interest rate, boosted by tax

write-offs making the rates considerably higher. In addition, authorisation has been given to borrow abroad to finance the deficit.

As for wages, the pact has placed a 25 per cent annual average ceiling on demands for July and dampened demand through a tight ceiling on wages and strict control of the money supply. Already for the final four months of this year the growth in money supply will be reduced to an average 18.2 per cent (against the annual average of the first eight months of 20.3 per cent). This will be further curtailed to 17 per cent in 1978.

This curb will be backed by cutbacks in State spending and a tougher control of the overall budget deficit which this year has jumped from \$400m. to just under \$1.5bn. Budget estimates for 1978 project a deficit only marginally higher.

At least 10 per cent has been taken off original spending estimates, but even so the Government has been obliged to adopt a much more socially-oriented budget with increased funds allocated to education and more particularly to social security. Thus spending will still increase at over 25 per cent.

Social security has for the first time been incorporated into the budget, as part of a major reshaping of the budget format, and accounts for 40 per cent of the proposed total outlay of Ptas. 3,207bn. It is hoped that the inflationary effects of these increased expenditures will be offset by increased direct and indirect taxes which will raise fiscal revenue by some 25 per cent.

The pact envisages new guidelines to cover the financing of the overall budget deficit. The most important of these is the resort to a large public debt issue for the first time. Approval has been given to two issues of Ptas 20bn. each, the equivalent of \$240m. The first was launched in early December. Both will carry an attractive 10.25 per cent interest rate, boosted by tax

current account trend is such that already the central bank believes that the deficit for 1978 could be down to \$2.4bn. Certainly the success of the "semi-clean" peseta float since July and dampened demand have been major factors why Spain has not yet asked the IMF for financial assistance but has merely sounded out the Fund about possible stand-by arrangements.

The difficulty here is evident enough. The Government is trying to rationalise often badly run public or publicly controlled companies (the State holding company INI provides 40 per cent of all industrial investment) at a time of recession.

### Principles

Market principles are fine if the social and political consequences of allowing, say, the shipbuilding industry's lame ducks to go to the wall are ignored. The threat of large-scale unemployment may be a deterrent to exaggerated wage claims—but not against unrest provoked by just letting industries disappear. A test case in this respect is the shipyards at Cadiz where work is drying up at a time when the industry has almost 40 per cent excess capacity.

In other words there is a limit in which the authorities can dictate the economy. But equally they cannot afford to stimulate recovery too early without undoing all the beneficial effects of the squeeze.

Observance of the wage ceiling will be crucial in this respect. Some 2.3m. workers are now affected by negotiations in progress for new wage agreements. If these major agreements in such sectors as the motor industry proceed smoothly then by next April the authorities should be able to think of easing the pressure. However, at the moment there is no guarantee that wage negotiations will go smoothly and this could then upset all the calculations.

Robert Graham

## SPAIN II

# Economy faces threat of deepening recession

## Politics move toward a balance

### OCASO S.A.

Compañía Espanola de Seguros y Reaseguros

Capital and Reserves Ptas. 1,675,639,437

Premiums: Ptas. 3,020,341,315

Twelve million, with confidence in its portfolio, place their trust in OCASO S.A. With nearly 60 years of experience in insurance, OCASO S.A. is their guarantee—and 12,000,000 people cannot be wrong.

Through the Company's reinsurance activities commercial connections are now maintained with insurance companies in 95 countries in the five continents, placing OCASO S.A. among the leading Spanish reinsurance companies accepting both Spanish and foreign reinsurance business operating in Spain.

Head Office  
Princesa, 23,  
Madrid - 8,  
Spain.

London Correspondent  
Ocaso  
(Reinsurance Servicing) Ltd.,  
Leadenhall Buildings,  
1 Leadenhall Street,  
London EC3V 1JT.

Dutch Correspondent  
Ocaso Reinsurance Agency B.V.  
Batavierenstraat 1 b,  
Rotterdam, 3003,  
Holland.

SR ADDOLFO SUAREZ has the kind of well-scrubbed looks that advertising agencies are constantly searching for. With apparent effortlessness he can produce a winning smile or generate the mix of assurance and purposefulness that international banking executives are credited with in advertisements. Above all he projects success. This is not put on. Both in his own terms and in the context of Spain he has been extremely successful.

His critics claim that he is nothing but a clever opportunist with no political depth. But even they do not or rather cannot conceal a certain jealous admiration for the manner in which he has raised his stature in such a short time above his fellow politicians and steered through many a hostile water. From being Secretary General of the Movimiento, the political organisation that sustained Francoism, to being accepted by the Communist Party leadership as a viable partner in a form of consensus politics is no mean achievement. To do this shows his lack of ideology—but this has been his strength in dealing with the opposition and has helped to provide the all important low key atmosphere during the delicate transition period from the ending of Franco's dictatorship to the establishment of a fully fledged democracy.

SR Suarez was quick to grasp this point. After almost 40 years of Francoism the country wanted a change—nothing too spectacular but a change that allowed the wind of democracy to circulate. To satisfy this mood and to retain his own credibility, SR Suarez has since proceeded to adopt a series of policies which by rights are the property of the Socialists—fiscal reform, greater social benefits, the ending of banking secrecy and accountability of public enterprises.

He has moved even further by making the main opposition parties, the PSOE and the Communists, agree to become party to these reforms by signing the Moncloa Pact in October. The pact embodies the government's main programme of political and economic reforms. By seeking to cut the ground from underneath the feet of the opposition, the Socialists in particular, he has done two things. He has shown that the PSOE represents his real electoral threat. Equally important he has given the UCD a Centre Left tilt. It is not known to what extent this has been kind of direct support with the number of parliamentary seats.

British Labour Party so strong electorally. The UGT, the second main union, is Socialist orientated but not PSOE controlled.

This has been to some degree smothered by Sr. Suarez pushing ahead with his proposal for a unified party that drops the individual party groupings that make up the unita. However, this does not alter in any way the peculiar situation of a party that is essentially Centre-Right in its composition and leaning.

It is pursuing policies that are Centre-Left and which in the most important instances are now endorsed by both the PSOE and the Communists. Gonzalez would be too radically to the left. None of this has happened. If anything the opposite.

Thus voting patterns in the all-important municipal elections, to be held early next year, are hard to define. The opposition parties cannot really act as opposition since Sr. Suarez has chosen to play consensus politics. This has been reflected in Parliament, too, where debate has been generally turgid and where the discussions have set mainly as signatures of legislation.

This situation of consensus politics is based upon self-interest and, if one is charitable, an element of genuine patriotism in a difficult moment for the country. The self-interest for the Communists and the Socialists is that by co-operating now in a transition to democracy they will ensure that democracy works—and in a fully functioning democracy they believe their objectives of gaining power can be realised. Sr. Suarez on the other hand needs these two parties as partners to make them co-responsible for unpopular policies like wage ceilings and a credit squeeze.

At the moment it is hard to escape the conclusion that Sr. Suarez is the chief beneficiary—for if the Moncloa package succeeds the main credit goes to him and if it fails he can make the other partners also responsible. However, he can only capitalise on this in the longer term if he can mould a coherent party framework within UCD, something which has so far eluded him.

R.G.

### BANCO INTERNACIONAL DE COMERCIO

#### YOUR ROUTE TO BUSINESS SUCCESS IN SPAIN.

##### International Division

Madrid: Génova, 27. Telex: 22461-23945-42969 INBAN-E  
Barcelona: Avda. Generalísimo, 474. Telex: 51845 INBAN-E  
Alicante: Explanada de España, 15. Telex: 66285 INBAN-E

##### Affiliates

- Leasing  
CITILISA - Citilease International, S.A. Orense, 34, MADRID-20  
(Jointly owned with Citicorp).
- Corporate Finance  
AGECO - Asesoramiento y Gestión Económica, S.A.  
Miguel Angel, 23  
MADRID.

**BANCO INTERNACIONAL DE COMERCIO**  
Empresarios en dinero y crédito

Established in 1920 - Head Office: Génova, 27. MADRID-4.  
Telephone - 4033100-4033154-4034154 (40 lines).

# GROWTH IN SPAIN

## FACILITIES FOR FOREIGN INVESTMENT

It is obvious that Spanish materialise in the economic development during the past fifteen years by foreign capital, which has been attained through amounts to an annual figure an increasing process between 300 million and of integration between 400 million dollars and have Spanish and the World's contributed as a principal economies, and as part of element to the favourable course of the Spanish investment in Spain has played a crucial role. In effect the three main pillars of Spanish economic policy which has been used for the past two decades have been the consequence of a total flexibility of the economy in order to adapt it to the schemes of a market economy, the maintaining of a realistic rate of exchange and its handling according to International Monetary Fund regulations as well as foreign investment as a support of the economic expansion process.

Foreign investment has made it possible to obtain the additional amounts of capital needed in order to achieve the forecasted rates of development, simultaneously with the income for foreign payments required to offset our trade balance which was strongly influenced by the rapid growth process and, last but not least, it has also supplied the technology needed to improve business methods and production processes. With a climate of freedom for the exercise of their economic activities, foreign corporations have obtained during the last years satisfactory levels of yields in a market with a great dynamic growth. In this economic climate, the total amount of foreign investment has been very important, especially direct investments, namely those Spain maintains.



Oil refinery on the Mediterranean

## OVERSEAS TRADE EXPANSION

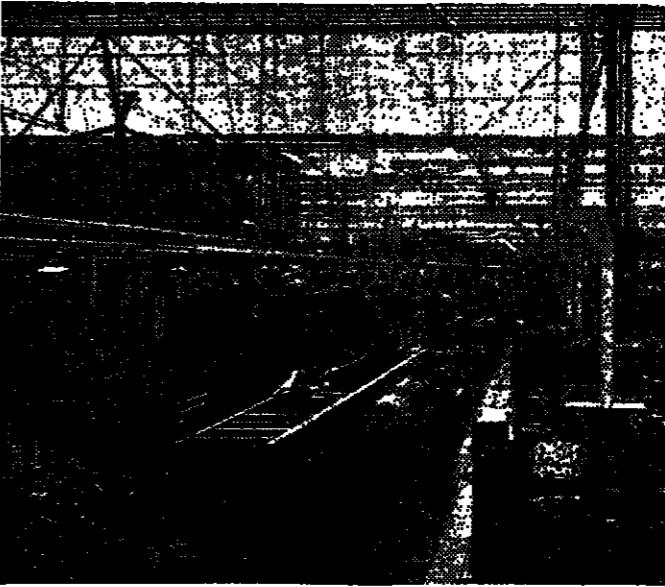
Growth in Spain in recent vitality. A growing number of years was brought about by customers all over the world rely on Spanish technology and craft. Imports in 1959 amounted to 8 per cent. of GNP. Last year this figure nearly doubled (15 per cent.). The oil crisis, exports, Other items have followed tourism and migrants' the same pattern. Tourism, transfers covered import for instance, leaped through payments comfortably, thus the sixties to levels that levelling the balance of payments would have aroused incredulity only a few years before. Heavy reliance on imported oil, as it lacks energy resources, has made Spain's Trade balance in 1975 the world's most unfavourable foreign goods by domestic (\$7.3 billion), despite the economic 7.3 per cent. growth in growth thus explains the exports, amid a general upward trend of imports. The removal or reduction of tariff barriers to trade visible earnings was not has played an important enough to outweigh the part in this. Spain, a member of most international currency balance showing a economic institutions, has \$3.5 billion deficit in 1975. made clear to the EEC its intention to become a full member as soon as possible, and fashioned a widespread consideration of the present conviction that the Peseta 1970 Treaty, for political as was overvalued. The recent well as for economic devaluation has set Spain reasons. The build-up of new industries in the medium term. In the short products highly competitive term the situation seems everywhere. Many would be surprised to know that Official reserves amount to in 1975 only 22.1 per cent. more than \$5 billion. Spain of Spanish exports were will finance its next current made up of agricultural balance deficits without any goods, 23 per cent. of consumer goods, 21.5 per cent. The favourable trends of investment goods and already shown by the other 33.6 per cent. of western economies, will raw materials and semi-finished products help Spain to level its manufactured commodities. external balance, as foreign Spain is no longer an agricultural country. Food is no longer the basic export increased by the economic product, as is still widely reported. presumed. Ten years ago, becoming an EEC partner it accounted for 46.7 per cent. of total exports, and Spanish products free investment goods for only France to a much larger 10 per cent. The widespread market. Western Europe re-adjustment in trade would also gain a dynamic structure stands as the best member, thus resting on a proof of Spain's economic secure base.



Electronics factory

## HIGH ECONOMIC GROWTH RATE

Spain is one of the countries which has experienced a high economic growth in the economic profile of the last fifteen years. Spain, from being a ruralised nation, during this period has been agrarian output, which has increased by 6.7%, remarkably higher than those of France, West Germany, and even the United States. This 23% of its GNP and to-day country, with a privileged geographical position, is only 10%. It is well known that to-day Spain is one of the world's biggest industrial countries. Industrial growth has experienced one of the greatest increases this century, comparatively higher than those shown by countries of technological progress. This profound process of economic growth is evident in the evolution of the and even comparable to West Germany or France, Spain's remarkable process of industrialisation. Spain's per capita income in 1960 was slightly over \$300 and in the services field, Spain in 1975 this figure has also reached considerably to \$2,000. One of Spain's most important economic resources is its human capital; this feature is well highlighted by the number of visitors from abroad which has increased from six million in 1969 to more than 30 million in 1975 (Spain's population is thirty-five million). In the same way as the boom in the Spanish economy took place after overcoming isolationism and with the departure from the so-called economic and political autarchy at the beginning of the sixties, the start of a wider process of incorporation into Western institutions taking place in only of a quantitative Spain can now lead to a growth of the main economic magnitudes but also a profound transformation has taken place in the production system. This becomes evident in the evolution of the relative national markets, introduction of new management techniques, attraction to Agriculture has slowly yielded its traditionally other factors, will help very important role in favour of effectively to maintain the industrial production and high rates of growth and to services. Capitalisation of agrarian production and the start a new process of constant movement of the frontiers, more in accordance with the Western labour force towards other sectors has improved pro-stitutional framework.



Loiry factory

## SPANISH COMMERCIAL OFFICES IN EUROPE

AUSTRIA—Feichsratstrasse 11, A-1016 Vienna 1  
BELGIUM—Avenue des Arts, 21/22 Brussels 1040  
CZECHOSLOVAKIA—Jecna 7—Prague 2  
DENMARK—H. C. Oerstedsvej, 7B Copenhagen V  
EAST GERMANY—Clara Zetkin 97—5 11, 108 Berlin  
FRANCE—17 Avenue Georges V, Paris 75.008  
GREAT BRITAIN—3, Hans Crescent, London S.W.1  
ITALY—Viale Bruno Buozzi, 47, Rome 00197  
POLAND—Svetokrzyska 36 ap. 10, Warsaw 00-950  
PORTUGAL—Av. Sidonio Pais, 28, Lisbon  
ROMANIA—Bd Dacia 16, Bucharest  
SWEDEN—Sergeois Torg, 12.11.157 Stockholm  
SWITZERLAND—Effingerstrasse 4, Berne  
USSR—Leninski Prospekt 83, Korpus 5, KU 484 Moscow B-261  
WEST GERMANY—53 Bonn-Bad Godesberg, Koblenzerstrasse 99, Bonn  
YUGOSLAVIA—Hotel Jugoslavija, Soba 545 Belgrade

## SPANISH CHAMBERS OF COMMERCE IN EUROPE

BELGIUM—Cámara Española de Comercio, Rue de la Science, 19, 1040 Brussels  
DENMARK—Cámara de Comercio Hispano-Danesa H.C. Oerstedsvej 7 B Copenhagen  
FRANCE—Cámara Española de Comercio—32 Avenue de l'Opéra, 75002 Paris  
Cámara Española de Comercio, rue Ed. Ducère 64, Bayonne P.A.  
Cámara de Comercio Hispano-Francesa 3 rue Alibert, Marseilles  
GREAT BRITAIN—Cámara Española de Comercio en la Gran Bretaña, 3, Hans Crescent, London S.W.1  
ITALY—Viale Bruno Ruozzi, 47-Rome 00197  
NORWAY—Cámara de Comercio Hispano-Noruega, Kirkegaten 1, Oslo 1  
PORTUGAL—Cámara de Comercio e Industria Luso-Española, Avenida Antonio Augusto de Aguiar, 9, segundo izquierdo, Lisbon  
SWITZERLAND—Cámara de Comercio Hispano-Suiza, Bleicherweg, 18, 8002 Zürich  
WEST GERMANY—Cámara Española de Comercio Schaumainkai, 83, 6 Frankfurt/Main

## PERMANENT DELEGATIONS FOR COMMERCIAL AFFAIRS

BELGIUM C.E.E. 23 et 27 rue de la Loi, Brussels  
FRANCE OCDE 44, avenue d'Iena, 75116 Paris 18  
SWITZERLAND GAAT 15, rue del Jeux de l'Arc, Geneva  
CEDIN—(Centro de Documentación e Información del Comercio Exterior.)  
TRADE INFORMATION SERVICE Almagro, 34 MADRID—4 Telephone: 419.44.21, Telex: 44185 CDEX

FOR FURTHER INFORMATION PLEASE APPLY TO ANY OF THE ABOVE ADDRESSES







## SPAIN VII

# Farmers in disarray

**SPANISH** agriculture is the 1976 figures. Production of sick man of the country's ailing lemons increased by 28 per cent to 298,000 tons; tomatoes Ptas.137,26bn. in 1976-23 per cent. of the total amount of now for some years. Farmers cereals for home consumption exports—compared to 55 per members of the labour force to 1,736,000 tons—a third of and they have been hit harder Spain's needs. Freak frosts in April and June destroyed £260m. worth of crops.

Partly because of the harvest unusually cold weather in the spring ruined the harvest in general and imports continue to rise far more swiftly than exports. For Spanish farmers, 1977 has been the year of a series of price "wars" and there are many more on the horizon unless the Government can find a solution.

Total agricultural production ports shot up by 40 per cent. In 1976 rose by 17 per cent to Cots and meat continue to be Ptas.1,025bn., but taking into the main imports. Last year account rapid inflation since Ptas.30bn. worth of corn was 1970 this figure in real terms imported—13 per cent of Ptas.563bn.; an increase of value of the imported oil just under one per cent on. This agricultural deficit rep-

1975. (Since 1964 the average represents 15 per cent of Spain's trade deficit and when this is This year is likely to see no borne in mind along with the improvement, given the poor fact that 20 per cent of the labour force produce about 9 per cent of GNP it will be in ten years time will face a severe labour shortage in the

According to provisional harvest figures production of many traditional fruits like apples Spain, has moved away from and table grapes was down 28 and 27 per cent respectively on rural country.

Unemployment among farm labourers in areas like Andalucia

are largely in consumer goods sectors in which it operates schemes for having representatives. Production of some household electrical products, for instance, has held up well, as has production in food industries, and of certain luxury products. However, even if consumer demand holds up well next year, the credit squeeze is likely to have unfortunate effects on any consumer goods sectors where hire purchase is important.

One key element in the general rethinking now under way in Spanish industrial policy is, of course, the future of the INI. Originally devised in 1941, largely to promote the development of basic industry, it now has direct investment in concerns accounting for over 10 per cent of Spanish gross industrial product, and controls fixed assets of over Pts.900,000.

Opinions on its performance vary a great deal. Some see it as representing the dead hand of the State, pointing, for example, to the fact that of 33 companies in Spain which last year lost over Pts.100m., 15 belonged to INI. Others feel that with this problem is Spain's failure to provide much of its own technology, and the paucity of its losses is to a substantial extent to be accounted for by its having been made by the Government to pick up lame progress over its control. Officially, it comes under the INI, but it has not provided enough information needed for this kind of debate to be conducted at a more than anecdotal level. This situation is improving— which should greatly facilitate the public debate about the future of the INI likely to be directly under the Economy Ministry. It is sensitive however, to complaints that it is two.

Although the INI will not subject to democratic course continue to be active in control—at the moment it is the kind of basic industrial looking at Austrian-style

D.H.

Exports, 60 per cent of which go to the EEC totalled Ptas.137,26bn. in 1976—23 per cent of the total amount of exports—compared to 55 per cent 15 years ago.

Whilst industrial growth has gone up in leaps and bounds over the years, agriculture has become stagnant and consequently the enormous gap,

more than in any other Western European country apart from neighbouring Portugal and perhaps Greece, between rural and urban areas, has widened.

This problem was highlighted last March when 30,000 tractors took to the roads to protest at the standard of living in the countryside, the right to form trade unions and better prices for products.

So great has been the migration from villages to towns—over 2m. people have left for work abroad or in towns since 1960 when 41 per cent of the active population worked on the land—that it is now estimated that the average age of those left is 50 and as a result Spain

totalled Ptas.48.6m. in 1976, 29 per cent increase on 1975, but most of it in short term loans. State subsidies totalled Ptas.12m., a drop of 11 per cent on 1976. Large landowners on the latifundia in Andalucia, who in the main benefit from credit and subsidies, often find it more profitable to put their money into industry than to plough back any profits into their estates.

Coupled with the need for investment is the need to continue consolidating small holdings many of which, worked by single families, supply little more than the producers' own needs.

The fishing sector is even worse off: damaged by the EEC's 200 mile limits and the Polisario fighting for independence in the former Spanish colony of the Sahara now under Charles Dawson

Morocco and Mauritania. The

Canary Islands' fishing fleet has

been severely affected by no

longer being able to use its

traditional ground off the western Sahara without the risk of competition from industry

around Valencia.

The effects of full membership of the EEC on Spain's agriculture should provide a much needed boost, for there is no doubt that the future for exports lies in the EEC. The 60 per cent of produce exported to the EEC now could increase quite considerably. Spanish officials feel that the EEC unfairly discriminates against Spain under its present commercial relationship in favour of countries like Israel. In the matter of citrus fruits, Spain estimates that if it had the same treaty as Israel Spain could have been saved in the citrus industry last year, and £22m. with full membership.

Officials are aware that negotiations over agriculture, given the French and Italian opposition, will be tough, for Spain could flood the market once the protectionist measures adopted by member countries against non-members are dropped.

The Government's economic pact with the opposition offers little which will radically change the situation, other than increased profitability. Credit from private and official banks totalled Ptas.48.6m. in 1976, 29 per cent increase on 1975, but most of it in short term loans. State subsidies totalled Ptas.12m., a drop of 11 per cent on 1976. Large landowners on the latifundia in Andalucia, who in the main benefit from credit and subsidies, often find it more profitable to put their money into industry than to plough back any profits into their estates.

Coupled with the need for

investment is the need to continue consolidating small holdings many of which, worked by single families, supply little more than the producers' own needs.

The fishing sector is even

worse off: damaged by the

EEC's 200 mile limits and the

Polisario fighting for indepen-

dence in the former Spanish

colony of the Sahara now under

Charles Dawson

Tdb

Térmicas del Besós, S.A.

U.S. \$20,000,000

5 year (Medium Term) Floating Rate Loan

Severely Guaranteed by

EMPRESA NACIONAL HIDROELECTRICA DEL RIBAGORZA, S.A. (ENERGESA)

and

HIDROELECTRICA DE CATALUNYA, S.A. (HECSA)

Managed by

BANCA MASSARDA

BANCO COCA

BANCO COMERCIAL DE CATALUNYA BANCO COMERCIAL PARA AMERICA S.A.

BANCO DE BILBAO BANCO DE GRANADA

BANK OF LONDON & SOUTH AMERICA

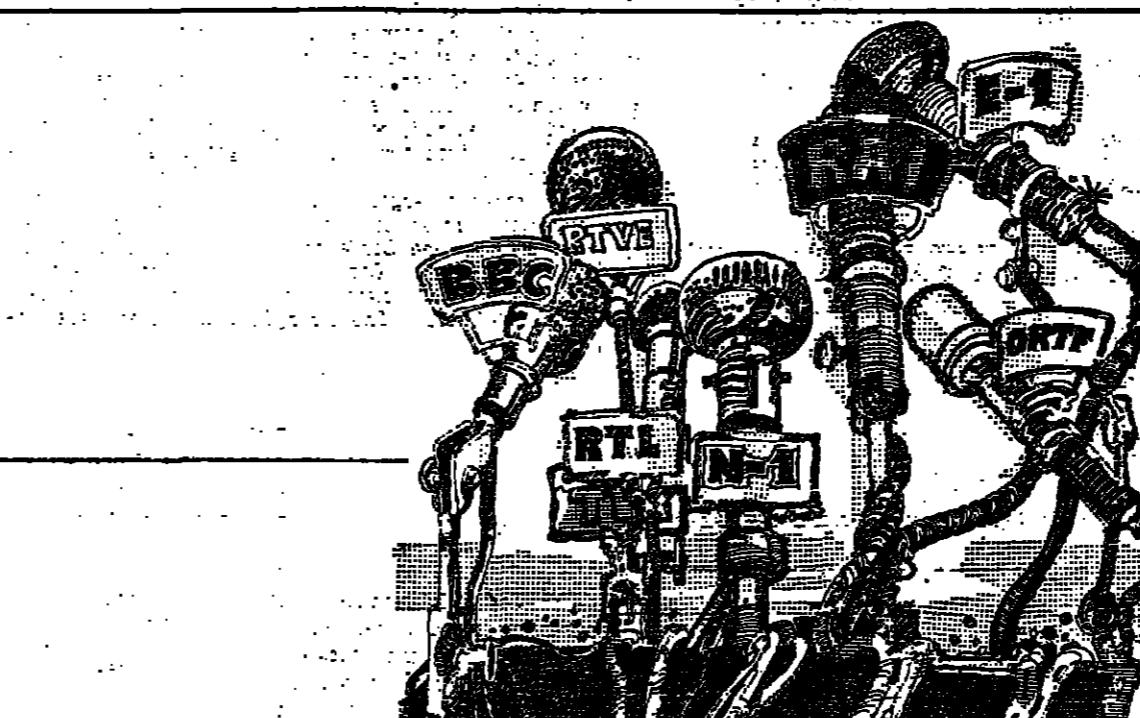
BANCO ESPAÑOL DE CREDITO BANCO INDUSTRIAL DE CATALUNYA

BANK OF AMERICA N.Y. AND S.A. BANK OF SCOTLAND

HILL SAMUEL & CO. LIMITED SOCIETE GENERALE DE BANQUE EN ESPAGNE

Agent-Bank

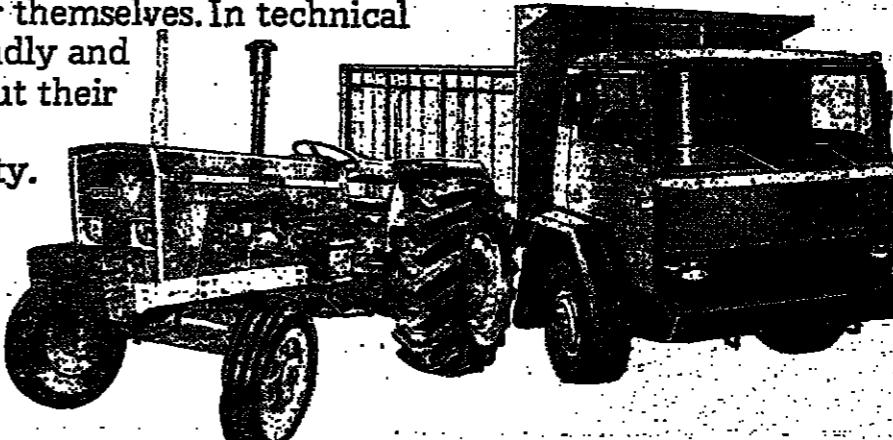
BANCA MASSARDA



## TRUCKS & TRACTORS THAT SPEAK ALL LANGUAGES

All over Europe, in the most important automotive events, our trucks and tractors speak for themselves. In technical language, they've spoken loudly and clearly, time after time, about their quality and efficiency.

Ebro is the Spanish reality.



HERE'S WHERE WE HAVE AND WILL BE MAKING OUR POINT:

International Automobile Show SIMA - International Agricultural Barcelona (Spain) Machinery Show - Paris (France)  
Royal Agricultural Show International Commercial and Coventry (United Kingdom) Industrial Vehicle Show - Paris (France)

World Ploughing Championship Flevohof (Holland)  
D.D.R. Fair - Leipzig (D.D.R.)

AND SOON:  
Industrial Vehicle Show - Geneva SIMA - International Agricultural (Switzerland) Machinery Show - Paris (France)  
Industrial Vehicle Show Mexican Technical Exhibition Amsterdam (Holland) (Mexico)

Caracas Technical Exhibition (Venezuela)  
Cairo International Fair - (Egypt)  
Tripoli International Fair - (Lybia)

**E BRO**  
TRUCKS & TRACTORS

Trust us to make your business run smoothly.

See your International business table with BB  
BB stands for the Spanish bank with the greatest international experience.

BB brings you a 16,000-strong team of experienced personnel. BB places at your disposal a network of branches and offices in Spain, numerous offices in United Kingdom, France, USA, Germany and Italy and correspondents throughout the world.

BB embodies the Spanish bank with dynamic growth.

BB stands for Banco de Bilbao: the bank that can make your business run smoothly.

Call or visit us at our:

PRINCIPAL LONDON BRANCH

36 New Broad Street

PRINCIPAL PARIS BRANCH

29, avenue de l'Opéra

PRINCIPAL VENEZUELA

General Motors Building

767 Fifth Avenue - 8th Floor

RELACIONES FINANCIERAS

INTERNACIONALES

International Finance

Alcalá, 16 - Madrid 14 - Spain

COMERCIO EXTERIOR

International Trade

Alcalá, 16 - Madrid 14 - Spain

Established in 1857

BB

BANCO DE BILBAO

JPK/101/S/L



# Unilever's new stride into the U.S.

By RICHARD LAMBERT and STEWART FLEMING

12 A.M. YESTERDAY, profits figures have indicated Unilever finally realised that Continental Europe has given off for ten days of hard been finding it especially difficult, 18 months of cult to make progress.

Meanwhile the growth has been coming from higher risk territories, in particular Africa. Operating profits in Nigeria Corporation had approved have rocketed ahead to recent Unilever's acquisition terms, years to over £70m—and the Nigerian Government has now 100% Dutch multinational was taken majority control by in long last on the point of increasing its holding from 40 to 50 per cent.

Unilever has had a increasingly directed at the U.S. since interest in the U.S. and from the early stages it has

been the beginning of this been clear that major new industry, in Lever Brothers' investment would take the form of detergents and toilet preparations of an acquisition rather than a business, and this was greenfields-type project. To try

by Thomas J. Lipton Inc. to break into a new market on the 1980s. But although a scale that would be relevant

son has a very successful tie to a group of Unilever's size

Unilever has never

would, said chairman Sir David

may been able to take off in U.S. Lever, in particular, risk." The same thinking lay

behind BOC International's in-

ormous cost it has raised

investment in Alco).

An illustration of this is that

from roughly 5 to 25 per

although National Starch

in recent years, but it is going

to cost the best part of

number three (Gamble and Colgate)

the cut-throat detergent

area where launching

a successful new product

cost \$20m or more.

**Lopsided**

The result is that Unilever's

international portfolio of busi-

nesses is distinctly lopsided.

most powerful economy in

world accounts for under a

of its overall sales. Two

of its capital is tied up

European Community coun-

try, the outlook for which is

the Federal Trade Commission

in its traditional mar-

ket-like margarine, deter-

gent, convenience foods—is not

in Alco for several years:

Nestle ran into similar prob-

lems, their apparently no

final quality was available.

Unilever's geographic balance

is in a small way requires

an enormous financial invest-

ment.

However its bid plans imme-

diately involved anti-trust con-

siderations. Any move for a

merger, the banks—the account-

ants et al., cannot between

themselves iron out their differ-

ences and agree upon an

imperfect but workable system.

It is fair to blame the Inland

Revenue for haggling in its

bosom the old procedures, rather

than allowing each individual

taxpayer to be assessed on the

basis best suited to him?

Jeremy English.

Willis Parsons English and Co.,

Sure Alliance House,

Dean Park Crescent,

Bournemouth.

ally and most important of

the company that Sir Charles

his bid did not include

National Distillers and

others (the second largest wine

spirit business in the U.K.).

Dyerside Brewery in Scot-

land, Webster's Brewery in Lan-

cash, Wilsons Brewery in Man-

chester, Ushers in Wiltshire and

breweries in Norwich plus

two Belgian holdings in

1959, Watneys was an en-

ormous difference making a

small fraction of today's produc-

tive power.

Mr. Joseph.

Port of London, N.W.1.

**Muddled but**

**onest**

Mr. W. H. J. Gordon.

Mr. J. H. Fogmore (De-

cember 8) need not worry

for, despite many changes

in recent years, we British are

as abroad as any funny lot

of any other.

In the Crown Agents future

we have precipitated loss of

service and custom among

our clients.

it by underwriting as well

publicly investigating and

using the Crown Agents,

clients and others beside,

some initial alarm, will see

whole performance as a

fully British muddied but

self-mummified to put

it right—indeed this is prob-

ably happening already, for the

Crown Agents have a great

deal of efficiency and honesty

in them.

J. Gordon.

Rowe House,

West St. Giles,

Edinburgh.

**Historic cost**

**incidence**

Mr. Jeremy English.

I feel that your correspon-

dent Mr. King (December 9)

was mainly harsh on the

when he talks about

hugging the historic cost

principle.

With more support for co-

operatives we could perhaps

learn how to increase true in-

ustrial involvement and avoid

many of the sterile arguments

presently going on about

"industrial democracy."

John W. Lewis

(Lecturer in Production

Management),

University of Glasgow,

Department of

Management Studies,

25, Bute Gardens,

Glasgow.

**Transport cost**

**of exports**

From Brig. D. N. Locke.

Director-General Chartered

Institute of Transport.

Sir—The National Economic

Development Office report

accept a new form of "re-

venue cost" according

to the cost principle." But one

transport and the total export



Sir David Orr (left), chairman of Unilever, with Cob Stanham, the group's finance director—they celebrated with champagne.

a company on a p/e ratio of announced this year alone, foreign direct investment in the roughly 19. Cash was far comes to over \$1bn. During U.S. since 1973, overseas investments there account for under \$200m of free liquid assets already available. But accepting growth in direct investment in small relation to the U.S. which has been economy the sums involved are main shareholders in a capital apparent since 1973, and which gains bill of \$30m or more.

In the end, the deal has been put forward in the form of a merger, whereby National Starch shareholders can find a way around the liability by taking preference shares in a new holding company rather than cash. But in order for these rather complicated arrangements to be completed, they had to be agreed by both sides—and you don't accept a bid in the land of the litigious stockholder, unless you are as sure as you can be that no-one is going to feel hard done by.

Morgan Stanley, acting for National Starch, had to agree to a "fairness letter" to protect the vendor and it took a good deal of persuading.

**Fair price**

The transaction, which will take 90 days to complete, does not look expensive by the standards of recent bids from such companies as Nestle and National Distillers, which have been prepared to pay p/e multiples of 30 and more. But it is fair to bet that Unilever would have months to go with less than a few months ago before take-over euphoria swept Wall Street. The question is whether this is going to be allowed to continue unchecked, or whether at some stage the U.S. authorities will consider action to prevent foreign takeovers such as those which were issued in 1975 when the U.S. awoke to the potential impact of Arab oil revenues on their economy.

If Unilever's bid is counted as British, the total value of British acquisitions in the U.S., in spite of the build-up in such feeling.

**To-day's Events**

**GENERAL**  
Index of industrial production (November, provisional).

President Giscard d'Estate of France ends his day visit to Britain.

EEC Energy Ministers meet Brussels.

Marketing Improvement Grants Regulations 1977, Local Government (Scotland) Bill, report.

Mr. Cyrus Vance, U.S. Secretary of State, continues Middle East tour.

European Parliament, Strasbourg.

Malta Republic Day.

Electoral reform supporters from the three main political parties meet at Carlton Hall, S.W.1, for mass lobby of MPs to urge them to vote in European Assembly Elections Bill for proportional representation regional annual report.

**PARLIAMENTARY BUSINESS**

House of Commons: European Assembly Elections Bill, committee of the whole House, debate on equal treatment in social security.

House of Lords: Finance Bill, subject: CPNS ("Think Tank") third reading. Motion to approve review. Witnesses: Committee on Sheep Code Order and Agricultural Products Processing and of British Chambers of Commerce; Rolls-Royce; Bryant Sydnes and Co.; and Sir Roger Falk (4 p.m., Room 5).

**COMPANY RESULTS**

ICL (full year), LRC International (half-year), Serlek (full year), Smith and Nephew Associated Companies (third quarter figures).

**COMPANY MEETINGS**

Cofair Investment Trust, Westminster House, E.C.1, Safeguard Industrial Investments, 87, Eaton Place, S.W.1, Smiths Industries, Cricklewood, N.W.1, Supra Investments, Kent, 12.30.

**MUSIC**

Free lunch-time Prom, BBC Concert Orchestra, conductor Ashley Lawrence, soloist Barry Tuckwell (horn), perform works by Vaughan Williams, Strauss, Wren, Zedler, and Shostak.

British Overseas Trade Board London.

House of Commons: European Assembly Elections Bill, committee of the whole House, debate on equal treatment in social security.

House of Lords: Finance Bill, subject: CPNS ("Think Tank") third reading. Motion to approve Sheep Code Order and Agricultural Products Processing and of British Chambers of Commerce; Rolls-Royce; Bryant Sydnes and Co.; and Sir Roger Falk (4 p.m., Room 5).

**Bank of Boston House, 5 Cheapside, EC2**

If banking is a service business, then it should be on service that you judge a bank.

We've spent 55 years in the City, building an organisation to cater for the toughest judge of all: the financial professional.

That's why The First National Bank of Boston's 15 account officers prefer long instead of short-term relationships. Why, on average, they stay with their accounts longer than their counterparts at other banks.

Why we have an exchange specialist based on the dealing floor devoted exclusively to keeping corporate customers abreast of developments.

Why our two hundred people in London aim at the highest standards if you give the best service, you've got the best bank!

And it works.

Our twelve dealers have put us among the top banks in making markets in all major trading currencies.

And six out of the top ten companies in the prestigious *The Times*

# COMPANY NEWS + COMMENT

## Martin the Newsagent jumps 36%

SECOND HALF profits of Martin the Newsagent moved ahead from £903,000 to £1,32m, taking the total for the year ended October 2, 1977, up to a record £2,92m—an increase of 36 per cent on the previous year.

As forecast at the time of the rights issue in October, and with Treasury consent, the dividend total is raised from 4.286p to 6.8p net with a final of 4.41p.

At the attributable level profits for the year emerge up from £1.8m to £3.4m—an increase of 85p per share of 42.1p (32.8p before extraordinary items).

In the first 9 weeks of the current year sales show an increase of 18 per cent, but these sales and to some extent profits have been affected by disruption of supplies through industrial action. Despite these problems the directors are confident of a further improvement in 1978-79.

The directors announce that they expect to spend at least £2.5m during the year on expansion. Most will be used in the purchase of established stores, with the balance being used to fit out some 10 new stores and redevelop six existing branches.

During 1976-77 the number of branches rose by 29 to bring the total up to 450. In the current year to date one new store has been opened, six established stores purchased, and four sold or closed.

	1976-77	1975-76
Sales (excluding VAT)	£6,057,000	£5,265,000
Trading profit	£1,252	£115
Net interest payable	£2	£1
Taxation	£2,054	£2,034
Net profit	£1,242	£1,175
Extraordinary credits	—	—
Attributable Ordinary	£2,494	£1,802
Ordinary dividends	357	253
Retained	£2,037	£1,575

Extraordinary items comprise material profits and losses arising from sales of fixed assets less attributable tax. Losses arising from sales of fixed assets in the year under review are not regarded as material and in accordance with current accounting practice, these have been adjusted in depreciation.

It has been decided to change the treatment of deferred tax so as to be in accordance with the provisional recommendation of the Accounting Standards Committee; the directors feel that the greater part of the potential liability for deferred tax will not become payable in the foreseeable future and consequently this reserve has been transferred to revenue reserves as prior year adjustments.

Mr. B. H. S. Martin is to relinquish his chairmancy on March 31, 1978, but will remain a director and has accepted the position of life president. He will be succeeded as chairman by Mr. J. B. R. Martin whose role as marketing director will be taken over by Mr. P. J. Martin, the present stores co-ordination director. Mr. R. G. Schweitzer continues as managing director.

**• comment**  
A 36 per cent profits increase from Martin is marginally better than the advance reported by NSS last week, but on the sales front it is NSS that sets the pace with a near 20 per cent gain compared with Martin's 13 per cent. Approximately ten points of Martin's turnover increase relates to new stores so its existing outlets appear to have seen some

### INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
AB Engineering	27	2	Management Agency	26	4
B & I Line	27	5	Mann Egerton	27	1
Caffyns	28	3	Martin Newsagent	26	1
Carr's Milling	26	8	May & Hassell	26	7
Cream (James)	28	2	NMC	28	1
Deansons (Holdings)	28	3	Rix (Oliver)	27	1
Firth (G. M.)	27	6	Rothschild Trust	26	3
Grant (James)	27	3	Rowlinson Constrn.	27	3
Hunt & Mascrop	27	4	Safeway	27	1
Irish Distillers	27	4	Waddington (John)	26	2
Lucas Industries	28	1	Ward & Goldstone	27	5

setback in volume. Cigarettes were down by more than the national average because of company's deliberate policy of limiting the number of price cuts during the end of the year sales, also showing some signs of picking up with a 16 per cent rise in the first nine weeks compared with 13 per cent in the preceding six months, but the Dady Mirror dispute caused some minor setback as tobacco sales account for 2 to 3 per cent of turnover (more in terms of profits). Obviously Christmas sales are vital, particularly in the large high street outlets, and evidently the slight decline in seasonal sales are getting under way so prospects for the current six months look reasonable. At 22sp the yield of 4.5 per cent, and p/e of 5.3 or 10.2 fully taxed is in line with Martin's competitors.

## Waddington improves to £2.3m.

REPORTING A 13 per cent rise in taxable profits from £2.03m to £2.32m, for the 28 weeks to October 18, 1977, the directors of John Waddington say that even their lowest forecast for the year was exceeded. The investment division is now seeing a turnaround in demand for cartons and labels in line with lower consumer spending and the market is now expecting no more than £3.75m. For the year (£3.27m), giving a prospective p/e of 7.5 on average capital while the yield of 7.8 per cent is covered more than two and a half times by earnings.

## Rothschild Investment earnings up

GROUP REVENUE of Rothschild Investment Trust improved from £27.7m to £28.4m in the half year ended September 30, 1977. The balance attributable to Ordinary Holders emerged ahead at £932,000 against £581,000.

Earnings per 50p share are stated to be up from 3.1p to 4.9p basic and from 3.3p to 4.3p fully diluted.

At September 30 net assets pre-conversion amounted to £48.45m.

on capital assets over the next

against £39.85m at March 31, 1977, and post-conversion at £72.20m, against £64.33m—equal per 50p share to 254p (21sp) pre-conversion and 245p (21sp) post-conversion. At December 6, 1977, the net asset values were 257p and 247p respectively.

An interim dividend of 1.5p per (1.365p) has already been declared—the total for 1976-77 was 5.49p.

Property income includes the loss for the half year in respect of the one remaining European property, which is in Paris—27 per cent of this property has been let with effect from August 1, 1977.

Group revenue does not include the results of Frank H. Aylng and its subsidiaries. This company no longer has any trading interests following the disposal of the year end of its remaining operating growth of profit.

The directors now say that, following the successful Rights issue, the rate of investment is being increased. The new factory expansion for the plastic container business will be commissioned next month and new advanced machinery is being built.

Other major investments involve machinery for folding cartons and new premises for greeting cards manufacture and distribution. The building in Canada has been posted up until business improves, they add.

### • comment

The market was disappointed with Waddington's 15 per cent first half profits rise which coupled with the cautious statement for the second half, left the shares 22p lower at 230p. The games and puzzles division, however, etc.—has been particularly hard hit in comparison with the rest due to a destocking policy by major customers, reducing its contribution to profits from about 12 per cent to virtually nil. But other activities held up well, particularly greeting cards (a quarter of profits), which has recovered from last year's slump after the sharp rise in postage charges.

However, the important packaging division is now seeing a turnaround in demand for cartons and labels in line with lower consumer spending and the market is now expecting no more than £3.75m. For the year (£3.27m), giving a prospective p/e of 7.5 on average capital while the yield of 7.8 per cent is covered more than two and a half times by earnings.

At the interim stage MAM forecast a moderate profit rise. In the event pre-tax profits are up 21 per cent, after a 3 per cent gain in the interim stage. A large slice of the increase was reflected from record sales which enjoyed a particularly good run in the second half with top selling albums and singles in the U.S. from Tom Jones and Engelbert Humperdinck—and some of the earnings from these will be spilled over into the current half.

Elsewhere the group reports steady progress from its other divisions and is continuing with its policy to diversify away from the "risk" show business industry and has recently added the Merrion, in Leeds, to its hotel chain, Meriville. The shares at £23.13m fell 15 per cent on a 4.4% p/e, and it will remain difficult to escape such a low rating while profits growth depends to such a large degree on the volatile show business industry.

At the interim stage MAM forecast a moderate profit rise. In the event pre-tax profits are up 21 per cent, after a 3 per cent gain in the interim stage. A large slice of the increase was reflected from record sales which enjoyed a particularly good run in the second half with top selling albums and singles in the U.S. from Tom Jones and Engelbert Humperdinck—and some of the earnings from these will be spilled over into the current half.

Elsewhere the group reports steady progress from its other divisions and is continuing with its policy to diversify away from the "risk" show business industry and has recently added the Merrion, in Leeds, to its hotel chain, Meriville. The shares at £23.13m fell 15 per cent on a 4.4% p/e, and it will remain difficult to escape such a low rating while profits growth depends to such a large degree on the volatile show business industry.

### • comment

At the interim stage MAM forecast a moderate profit rise. In the event pre-tax profits are up 21 per cent, after a 3 per cent gain in the interim stage. A large slice of the increase was reflected from record sales which enjoyed a particularly good run in the second half with top selling albums and singles in the U.S. from Tom Jones and Engelbert Humperdinck—and some of the earnings from these will be spilled over into the current half.

The balance was due a week ago, and by last Friday it was estimated that less than 1 per cent of the outstanding money had still to be paid. It is likely that around £1m is owed mostly by small shareholders.

The Bank has indicated that if the money is not forthcoming shortly then it will require interest to be paid on the outstanding sum—possibly at 5 per cent above MLR (currently at 7 per cent). The ultimate concern is that investors would lose title to the shares and the 53 down payment made when the shares were bought.

RCF HOLDINGS

The rights issue circular in connection with the one-for-three offer from RCF Holdings shows that on November 13 the company had outstanding secured bank overdrafts totalling £393,000 of which £382,000 was drawn under facility subject to insurance by the Export Credit's Guarantee Department. At the same date the company had a contingent liability of £40,000 in respect of performance bonds on export contracts.

An extraordinary general meeting is called for December 28.

## ISSUE NEWS AND COMMENT

## Leicester comes up with £12m. floater

The City of Leicester is the latest to join the stream of floating rate stocks. The issue is of £12m of Floating Rate Stock.

The bankers have ideas of producing one through the brokers may be less enthusiastic.

Also see Lex in full on application.

With effect from December 14 this stock, and all the other listed Local Authority floating rate stocks, will be investments falling within Part 2 of the First Schedule to Trustee Investments Act 1961 thereby bringing in the pension funds.

Interest on the floater will be payable half-yearly in arrears on June 16 and December 16 at the rate of 4 per cent above the London Interbank Offered Rate (Libor).

The first interest payment will be from December 12 to June 16 and the coupons will be £4,057 per cent (less tax). This represents an interest rate of 8 per cent per annum.

Morgan Grenfell has subscribed for the full amount of stock. J. and A. Scrimgeour is the broker to the issue and money broker, Fulton Packshaw, has advised the Council in relation to the issue.

Application lists for the stock will open at 10 am on Thursday and close on the same day.

Dealers are expected to start on Friday.

As interest accrues from yesterday the offer price is inclusive of four days' interest so exclusive of interest the price is equivalent of 9.981 per cent.

### • comment

The yield on offer from Leicester's floater is marginally lower than that offered last week from Kensington, but is unlikely to have much effect on the response to the issue. The usual line of financial institutions will take up the stock, the fact that pension funds will be able to purchase the stock from tomorrow onwards is unlikely to have any bearing on this issue.

However, the market is developing—in total nearly £120m. has been raised—and the pension funds might consider investing as it continues to build-up. As yet there has not been an issue over four years, but a seven year stock is a possibility. Certainly

The application is for £100m. of stock. The balance has been reserved for the Commissioners of the National Debt for public funds under their management.

The group's share of its associate company's loss was down from £1m. to £0.6m. Group sales grew by 6.5 per cent.

Mr. H. B. Atley, the chairman, points out that sterling is strong while most exporters' currencies are weak and large stocks are universally held while world

interest is depressed. Even so he hopes for a reasonable profit in full year remains.

In July he said that the group was under-commission to forward purchases. However, recently a resolution seeking shareholders' approval will be submitted to an Extraordinary General Meeting on January 10.

### £900m. TAP

The prospectus is published today in connection with the issue of £900m. of Exchequer Stock 1981 at 21.75 per cent. The stock will be available in full on application this Thursday.

Interest will be payable half-yearly on June 12 and December 12. The first payment will be made next June at the rate of 4.05 per cent.

The Stock is authorised to receive application for £900m. of stock. The balance has been reserved for the Commissioners of the National Debt for public funds under their management.

The yield on offer is 9.981 per cent.

After the offering, ordinary items and minor interest, amounting to £12,000 (£250,000) the attributable profit emerged at £454,000 (£500,000).

### • comment

May & Hassell is the third timber company to report half-year figures in the last few days. But unlike International Timber and Bambergers, May & Hassell has opted out of buying in the foreign market early in the year preferring to hold on until the cheaper Scandinavian timber, whose price has been made competitive by devaluation, comes onto the market in the summer. As a result the group is underbought, but will not have to carry the same element of stock losses as other timber companies who stocked up at higher prices earlier in the year.

Like other timber companies, volume sales are down by around 10 per cent.

The rise in turnover, which reflects the influence of fossil fuel oil, is offset by the elimination in the joint-owned (with Montague L. Gartside) subsidiary.

Sheppards and Chase, brokers to Elliott Green, are holding a meeting on Thursday afternoon.

Mr. H. B. Atley, the chairman, has achieved thanks to the disposal of the cabinet factory. For its view or taking action in the full year, an outturn of £1.3m. on pre-tax basis is possible, putting the shares at 66p (down 3p) on a enquiry which is in progress.

Mr. P. J. Rowlinson, Chairman, reported a half-year end on 30th September.

## DIVIDENDS ANNOUNCED

Company	Current payment	Corresponding payment	Date of payment
Blakely's	1.25p	1.25p	Jan 23
Caffyns	2.15p	2.15p	Jan 24
Car's Milling	1.75	1.55	June 18
James Crean	5.697	4.88	July 18
Deanson	1.51	1.51	Sept 1
Delson	1.51	1.51	Sept 1
G. M. Farb	Nil	Nil	Feb 17

Financial Times Tuesday December 13 1977

## Oliver Rix stronger: recovers to £0.13m.

AS ANTICIPATED in June, recovery at motor distributors Oliver Rix continued in the second half with a turnaround from a pre-tax loss of £0.32m to a profit of £0.13m by the end of the year at September 30, 1977, with a surplus of £0.20m against a deficit of £0.10m.

The addition of the balance sheet has been considerably strengthened. A recent professional valuation of properties showed a surplus over book value and borrowings have been reduced by £2.5m, bringing the overall reduction in the last two years to £2.1m. This was achieved through the sale of properties and investments which were either above requirement or uneconomic. Mr. A. K. L. Stephenson, the chairman, says:

Sales for the year were £1.33m. Better at £2.51m.

There was no tax charge this time (credit £0.23m) but extra ordinary debts net of transfers and reserves reduced to £1.08m (£0.22m) left an attributable loss of £0.547 (£1.764).

The extraordinary items covered losses against book value on sales of land and buildings (£0.725); revaluation surpluses transferred from capital reserve to sale £143,388; losses net of profits on sale of subsidiaries and investment in respect of the retained losses £0.300; and liquidation costs £18,430.

**Jersey switch by Standard Chartered.**

Under rationalisation measures

of its banking operations in Jersey, Standard Chartered Bank

is to change the name of its two

existing companies, as from

January 1, and their business will

be transferred.

It is proposed that the name of

John S. Hodge Bank (Jersey)

will be changed to Standard

Chartered Bank (C.I.) and will

undertake its former banking

activities and those of Wallace

Brothers Bank (Jersey) from

offices at Conway Street, St

Helier.

The Earl of Jersey will be

chairman and Mr. Oliver Gakes

Managing Director of the new

company and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson

is formed to undertake the instal-

ment of transfers from reserves.

Improved profitability was

achieved by the trading division as

a result of the rationalisation pro-

gramme and with the co-operation

of British Leyland, the directors

hope for greater franchise enrichment.

The transport division again

showed growth in all its activities

and substantial improvement in

sales and profits was made by the

road and industrial side, and per-

centage of the insurance division

was also good. Mr. Stephenson</

# Tool strike jeopardises Lucas investment plans

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

**BECAUSE** OF the toolworkers' year will show a marked improvement strike Lucas Industries may not meet over those for 1976-77. In the six months ended September 30, 1977, profits have advanced from £29.314 to £75.502, subject to tax of £22.559 (£13.658). The figure for the previous year was £114.729 from which a single dividend of 13p was paid.

Speaking at the AGM in Birmingham yesterday Mr. Bernard Scott, chairman, said that this strike was a "severe blow" and was £114.729 from which a single dividend of 13p was paid.

General Electric and investment concern NBC is a finance and investment concern.

The group was now recovering from the dispute which had closed most of the electrical component factories in the Birmingham area for 10 weeks. However, the chairman said that the impact upon cash flow had made it necessary to look again at the phasing of investment. Any changes would merely mean delay rather than the abandonment of plans, he assured.

The chairman said it was impossible at this stage to quantify the effect upon total investment for the year or to specify which projects might be affected.

However, the company would try to cut costs by 20 per cent on projects central to its expansion plans. Savings would be sought by delaying the replacement of old plant.

Mr. Scott said that all the group's companies—including Aerospace—were well placed in their markets to grow and prosper.

The time was right for a major endeavour to expand sales in the U.S. which were currently running at only around one-fifth of those to Europe.

"The opportunities clearly abound and we are already working on potential contracts," Mr. Scott said. He would not elaborate upon negotiations in the U.S. but they are looking to embrace a broad spread of Lucas products rather than just diesel fuel injection equipment.

## NMC foresees big increase

**REPORTING** first half 1977-78 profits sharply higher the directors of NMC Investments forecast that group results for the full

year will exceed £13.7m.

INCLUDING

a full 12 months contribution from Etham Welding Supplies, acquired in May this year, Dublin-based James Crean reports taxable earnings for the year to June 30, 1977, ahead from £84,000 on a record £12,000 in sales up £4,500 to £17,540.

A half-yearly profit surplus of £20,000 against £27,000.

The group has continued to trade satisfactorily since the year end, the directors state.

Earnings per 50p share are shown at 28.75p (20.84p) and 15.25p (11.75p) excluding stock tax relief. The net total dividend is stepped up to 8.45p (7.125p) and a final of 5.6875p.

THE

time charge of £74,000 (£18,000) reflects stock appreciation relief of £43,000. This figure assumes an extension of the relief for the Irish subsidiaries amounting to £123,000.

For the previous year the tax charge has been restated £237,000 lower after crediting this relief of £43,000 minority interest.

The group's activities include bottling, distribution and wholesale

marketing of beer, mineral water to December 31, 1981.

**J. Crean expands to £1.13m.**

IN THE

half year ended September 30, 1977, motor agents and engineers Caffyns has improved its profit from £43,129 to £70,573, or turnover £321m, ahead at £17.45m.

The profit was struck after usual charges and a £154,884 (£106,618) contribution to staff pensions. Tax requires £249,300 (£227,500) to leave the net profit at £220,773 (£203,229).

The interim dividend was raised from 1.75 to 2.5p per 50p share to reduce disparity. Total for 1976-77 was 3.75p when profits reached £903,000.

**Deanson slips to £132,906**

FOLLOWING

the pattern of the first half, pre-tax profits of Deanson (Holdings) continued to decline in the second half of the year. September 30, 1977, and finished £10,383 behind at £132,906.

At half-way the fall was from £84,437 to £84,583.

At the year end the year amounted to £31,190 (£23,566) and tax took £67,453 (£60,213).

Earnings per 10p share of this printing and stationery concern are stated at 3.29p (1.48p) and the dividend, which has been waived by three directors, is raised from 1.89p to 2.095p net.

**MAURICE JAMES AND BENSON'S HOSIERY**

With reference to details given on December 8 of proposals made in connection with Maurice James Industries and Benson's Hosiery, it was incorrectly stated that Peat Marwick Mitchell and Co. act as accountants to Benson's Hosiery.

British gaming had been important as was the fact that Ladbrooke is a British public company.

**H & C steps in and Malayalam accepts**

Harrison and Crosfield, vice-chairman of H and C, said yesterday that the bid was to protect H and C's interest in Malayalam. H and C together with associates, controls 23.8 per cent.

The "Indians" of all

H and C's interests, including Malayalam, is imminent and Mr. Prentice hoped that they could take advantage in tandem.

Another special attraction of Malayalam as far as H and C is concerned, is the substantial holding in Harrison Malaysian Estates, one of the H and C group companies.

**H & C comment**

The bid by Harrison and Crosfield for Malayalam is very welcome. In the event of the McLeod Russel bid failing—which was not the intention—it was pleased that at last the other side had put a value on Malayalam, something they had been very reluctant to do during the live months of negotiations prior to McLeod's offer.

The new bid from H and C has received the recommendation of the Malayalam Board, which consists entirely of H and C nominees. Malayalam's shareholders are managed by H and C and the annual cost has been quoted as £1.5m by McLeod.

This is thought to be one of the reasons why H and C is prepared to pay rather more than McLeod has so far offered.

There has been gathering concern in the Australian coal and iron ore industries about the reduced requirements of the Japanese steel industry and Hamersley announcement reflects this.

The value nature of the company statement suggests that Hamersley is not too worried about the general situation, but rather is marking time, waiting for the international steel markets to show more vigour.

Fear of Japanese intentions combined with election campaign doldrums have made the coal and iron sectors a sluggish market on the Sydney stock exchange.

## World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on December 12, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (B)

Scheduled Territory: (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (Sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/C) exchange certificates rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Source: Bank of England, London.

Value of £ Sterling

Place and Local Unit

Value of £ Sterling

## WALL STREET + OVERSEAS MARKETS

## + FOREIGN EXCHANGES

## Mixed finish after slow trading

BY OUR WALL STREET CORRESPONDENT

AFTER MODESTLY extending worthiness certificate last Friday's rally, stocks on Wall Street-to-day fluctuated in slow trading before finishing with mixed movements.

The Dow Jones Industrial Average, after rising 8 points last Friday, touched extremes of 820.51 and 811.76 before ending a marginal 0.3% higher on balance at 815.75. The NYSE All Common Index closed 1.1% higher at 811.78, although it had started at 811.85, although 811.76 had been recorded on Friday.

Analysts said optimism brought on by the favourable November Wholesale Price Index and Money Supply figures, both reported last week, was nearly balanced by caution resulting from the continued weakness of the dollar and concern over the economy.

National Starch and Chemical, which had not traded since December 1, surged \$20 to \$85. Duvelier, which did not trade but were last quoted at \$83, said it was offering to acquire National Starch for \$78.50 per share.

Techneplex held up briefly at the opening lost \$2 to \$13.50 in second-quarter results from continuing operations might not exceed the year-earlier 57 cents per share.

Cessna Aircraft advanced \$4 to \$14—the company is to modify all its Conquest propeller aircraft in the field and on production lines to comply with a Federal Aviation Administration directive.

Leading Chemicals showed losses to DM140, as in BASF. Else-  
where was boosted by SHK25m. of in-house trading by a leading firm in a variety of Blue Chips, but this had little effect on the U.S. currency's further decline in the foreign exchange market yesterday.

PARIS Market was easier inclined in slow trading, with business restricted by the continuing strike by Bourse employees to small professional dealing.

However, the new outbreak of disagreement between Socialists and Communists is expected to strengthen the market when Bourse personnel return to work.

BNP Gervais Danone receded 9 to Fr16, BIC 20 to Fr537, and Jacques Borel 5 to Fr110, but Lafarge gained 3 to Fr150.

BRUSSELS—Local issues were

expected to strengthen the market when Bourse personnel return to work.

Wagon-Lits, however, were unchanged despite stating that 1977 profits will probably rise.

Arval put on 65 to B.Fr1,780 and Solins 30 to B.Fr2,240, but Petrofina 30 to B.Fr13,770

and Banque Brussels Lambert

30 to B.Fr1,470.

U.K. and U.S. stocks rose, but German and Dutch eased while Canadians and French were little changed.

AMSTERDAM—Market presented mixed appearance after dual trading.

Hoogendoorn and Royal Dutch were around Frs.50 easier in afternoon trading, but Unilever held steady at Frs.125.50.

Elsewhere, Paabos declined

Fr.3.23 and Van Ommen Fr.1.5.

Pirelli SpA lost 19 to Lira 1,086.

Sestogi 14 to Lira 3,666, and Fiat 42.5 to Lira 877.

Bonds, however, were selectively higher in a fair business.

HONG KONG—Market made a

dull showing, with leading shares generally easing slightly. Turn-

## OTHER MARKETS

## Canada reacts

Canadian Stock Markets reacted in an active business yesterday, although Metals and Minerals showed resistance with a fresh rise of 3.4 to 829.20 on index. The Toronto Composite Index slipped 1.5 to 1,074.70.

Carding's, Bell, Golds, and Zinc, reflecting falling bullion prices, retreated 1.7 to 1,265.0, Other stocks 1.5 to 1,257.6.

Elsewhere, Nestle registered

rose 20 to Fr2.250 and Sandoz

Bearer added 65 at Fr2.71.

Domestic and Foreign Bonds hardened in moderate activity.

OSLO—Easier, with Koemps 10 lower at Kr330.

STOCKHOLM—Irregular. Ekesel "B" was a bright spot at Kr220 up 6.

MILAN—Shares weakened over a broad front in an almost complete absence of buying interest, the Borsa indicating falls of 5.2 to 5.4, a new 1977 low of 53.29.

Pirelli SpA lost 19 to Lira 1,086.

Sestogi 14 to Lira 3,666, and Fiat 42.5 to Lira 877.

Bonds, however, were selectively higher in a fair business.

HONG KONG—Market made a

dull showing, with leading shares generally easing slightly. Turn-

## Indices

## NEW YORK—DOWJONES

	1977						Sinoeconomics
	Dec. 12	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	
	High	Low	High	Low	High	Low	
Industrial	815.78	815.25	808.51	807.65	808.03	807.75	808.55
Finance	91.86	92.00	91.00	91.02	91.50	91.51	91.75
Transport	812.20	812.18	812.10	812.07	812.22	812.14	812.74
Utilities	111.84	112.47	112.37	112.37	112.88	112.88	112.88
Gold	18.80	18.70	18.60	18.60	18.70	18.60	18.60

\* Basis of index changed from August 24.

Int. div. yield %	Dec. 9	Dec. 2	Nov. 25	Year ago (approx.)
	5.65	5.57	5.40	4.30

## STANDARD AND POORES

	1977						Sinoeconomics
	Dec. 12	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	
	High	Low	High	Low	High	Low	
Industrials	102.87	102.88	102.07	101.85	101.81	101.44	101.85
Composite	95.65	95.85	92.98	92.78	92.15	94.27	92.78
Services	101.45	101.45	101.45	101.45	101.45	101.45	101.45
Utilities	101.74	101.74	101.74	101.74	101.74	101.74	101.74
Gold	100.00	100.00	100.00	100.00	100.00	100.00	100.00

\* Basis of index changed from August 24.

Int. div. yield %	Dec. 9	Dec. 2	Nov. 25	Year ago (approx.)
	5.65	5.57	5.40	4.30

Investment premium based on \$2.60 per £—\$932 (93%).

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

Short-term rates are call for sterling, U.S.



## FARMING AND RAW MATERIALS

## Brazilian futures trade plan

By John Edwards,  
Commodities Editor

**W**E COMMODITY futures markets for coffee, cotton and beans in São Paulo, Brazil, planned to start trading early next year. A starting date of January/February has been set following the approval by São Paulo State Authorities of a clearing house company set up by a group of 10 financial firms.

The trading floor will be set in the old Cotton Exchange, but there is ample space available for the new markets. It will also be available the existing commodities network of the São Paulo Stock Exchange, enabling firms to trade in foreign currencies.

The Asarcó increase, which is expected to be followed by other producers, is the first rise in the U.S. copper price since March this year when it was increased to 70 cents before tumbling down to 60 cents in subsequent months.

Production cutbacks and some improvement in demand have brought supplies more in line with consumption, although surplus stocks of copper available remain more than adequate.

The Asarcó move appears to have been anticipated in some quarters since the London copper market opened strongly yesterday before the official announcement.

Prices moved further ahead in the afternoon with cash wirebars closing 18.5 up at 2,885

a tonne and three-month wire-

## U.S. copper producer rise lifts London markets

By JOHN EDWARDS, COMMODITIES EDITOR

**COPPER PRICES** advanced on bars gaining £10 to £703.75 the London Metal Exchange tonne. Ignored by the market was yet another rise in LME warehouse stocks up by 1,225 tonnes to a record total of 839,125 tonnes.

A fall in the stocks — down by 535 tonnes to a lowly total of 2,606 tonnes — pushed prices higher initially, combined with a sharp rise in the Malaysian market over the week-end. But the market then weakened on freer offerings of spot supplies and reduced buying interest.

Production cutbacks and some improvement in demand have brought supplies more in line with consumption, although surplus stocks of copper available remain more than adequate.

The Asarcó move appears to have been anticipated in some quarters since the London copper market opened strongly yesterday before the official announcement.

Prices moved further ahead in the afternoon with cash wirebars closing 18.5 up at 2,885 a tonne and three-month wire-

## Buyers busy at London tea auction

**D**EMAND was strong at the London Tea Auctions yesterday. Assam varieties were especially popular. Early lots sold for 4p to 10p a kilo more than last week's closing prices, many ended the day 20p up.

"Due to depressed prices, and demand in the international

coffee market many Canadian mines are operating under difficult circumstances," he pointed out. He was commenting on the announcement by Falconbridge Nickel Mines that it would lay off 750 men at its mining operations in Sudbury, Ontario. That would be in addition to 434 jobs lost at the company so far this year and 2,800 jobs scheduled to be eliminated at Inco in Sudbury by the end of February.

Mr. Gillespie added that information supplied to him by copper companies indicated their production would be cut back by about 8 per cent. in 1978 compared with this year.

He said the 8 per cent. reduction would reduce copper output from 781,000 tonnes to 737,000 tonnes. He noted this was well below the peak production of 824,000 tonnes reached in 1973.

Our Toronto correspondent

said: "Mr. Alastair Gillespie, the Energy Minister, warned there could be major layoffs and shut-

## FISH SUPPLIES

## Union urges end to Icelandic cod ban

By RICHARD MOONEY

**T**HIS TRANSPORT and General Workers' Union has thrashed out what it sees as a reasonable basis for the resumption of Icelandic fresh fish landings at U.K. ports. But prospects for an end to the year-old ban remain fairly remote.

Following two sessions of talks last week the TGWU said the Icelanders had given an undertaking for a long-term supply arrangement which would help to safeguard significant numbers of jobs in the fish handling and processing industries around Britain's northern ports.

But the "bobbers" and "lumpers" who unload the fish still are not seen disposed to allow Icelandic landings to be resumed.

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but not the small fishmongers and fish and chip shops. Of the 200 wet fish merchants operating in the Hull docks two years ago only 93 were still in business, "and the number is still falling."

The union said it was illogical to continue banning landings of Icelandic wet fish when large amounts of frozen fish from the same source were finding their way into the country. In the January to September period 2,487 tonnes of frozen Icelandic-caught fish, valued at £1m, were imported into Britain, a trade Mr. Austin Mitchell, Labour MP for Grimsby, described as "fish with the job filled out".

The union said frozen fish imports were helping the big processors but

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## French paper industry to receive State aid

BY DAVID CURRY

**THE FRENCH** Government has unveiled its first package of aid from the official Economic and Social Development Agency subsidiary of St-Gobain, and which lends at 1 per cent below market rates—3½ per cent at the present.

But the elaborate restructuring programme that was to go hand in hand with the new finance has been almost entirely dropped.

The main reason for this is quite simply that most of the companies earmarked to participate in this restructuring by the Industry Ministry have quite simply failed to play ball—in particular the giant of the industry, the St Gobain-Pont-a-Mousson controlled company La Cellulose du Pin.

The Government has been left with little more than a costly programme of investment designed chiefly to economise on foreign exchange—not a negligible ambition in view of the fact that the timber and paper sector is second only to energy as a deficit item in French trade.

Altogether some Frs.4bn. of investment is intended for the paper and pulp industry, with the object of overcoming the sector. Around half of this is likely to be financed using public funds.

The first tranche of this, announced by the Industry Ministry, covers loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

Originally the government planned to tackle the problems by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Darblay, and Aussenadat.

The only problem was the widespread belief in the industry that there was no justification for increasing pulp capacity.

Aussenadat and Beghin withdrew to be followed by Comdat while St-Gobain wanted in any case not to get involved in the white paper sector. The government, in the end, has had to be content with increasing La Chapelle Darblay's capacity unilaterally.

The other big group would cover the packaging and Kraft paper sector by bringing together the concerns Frs.300m. in investment at three smaller companies: Sibille et Stotz, Emin Leydier, and Jean D'Euros.

A further aid is expected in a couple of months; in particular

the plan to construct a newsprint factory in the Voges to reduce the country's dependence on imports is hanging fire.

La Cellulose will lose Frs.70m. this year on top of a similar loss last year but this puts it

in a position to reduce its costs by heavily loss-making sector

by constructing two big groups of European dimension. The first would produce "white" amongst the ranks of the better

performers in the sector,

announced by the Industry Ministry, cover loans of Frs.600m. newspapers and magazines and

some Frs.250m. of investment in the newsprint and pulp output at two plants belonging to La Cellulose du Pin.

The second is the increase in Dar

## ISS CHEMICALS

## All eyes on America

BY JOHN WICKS, IN ZURICH

RECENT months there has been a remarkable rush of Swiss chemical companies strengthening their stake in the U.S. market. American firms have taken over existing capacity, expanded, new plants put in construction and corporate ties improved. Despite the only falling dollar, many are going all out to build an operating basis in the U.S.

that the Swiss industry known on the U.S. market "The Basic 'Big Three'" Geigy, Sandoz and Roche particular have long been much in evidence there. An estimated 30-33 per cent of Roche group sales are made for by the U.S. In U.S. business made up 18 per cent of Sandoz sales and American turnover in 1976 equalled 29 per cent of group figure. The Swiss-American Chamber of Commerce said last year that about half of the direct investments by Switzerland's manufacturing sector in the U.S. were by the major chemical com-

trolling a well-known specialist (sales of \$81.6m. a year) was opened in Belleville in the same State and a multi-purpose fermentation unit was set up at Belvedere. First production has recently started at a pharmaceuticals plant sited at Manati, Puerto Rico, while in Freeport, Texas, output should begin in 1981 at a multi-purpose unit for base products for vitamins and active agents; the Freeport site had originally been foreseen for a vitamin A project which was subsequently scrapped. New vitamin C and vitamin B<sub>2</sub> capacities will run on at Belvedere in the same year. Also in Texas, the Lonza division of the Zurich-based Alusuisse group is in the process

of building up an export base in the U.S. Hoffmann-La Roche says that already U.S. affiliates deliver more to Europe than vice-versa.

Another acquisition of a U.S. pharmaceutical company this autumn has been that of Alza Corporation, Palo Alto, by Ciba-Geigy AG at a price not exceeding \$45m. Here, too, Ciba-Geigy is very interested in the product range of the intended new subsidiary, Alza, specializing in therapeutic systems for the con-

panded, a capacity for diagnostic aids was opened in Belleville in the same State and a multi-purpose fermentation unit was set up at Belvedere. First production has recently started at a pharmaceuticals plant sited at Manati, Puerto Rico, while in Freeport, Texas, output should begin in 1981 at a multi-purpose unit for base products for vitamins and active agents; the Freeport site had originally been foreseen for a vitamin A project which was subsequently scrapped. New vitamin C and vitamin B<sub>2</sub> capacities will run on at Belvedere in the same year. Also in Texas, the Lonza division of the Zurich-based Alusuisse group is in the process

of building up an export base in the U.S. Hoffmann-La Roche says that already U.S. affiliates deliver more to Europe than vice-versa.

Another acquisition of a U.S. pharmaceutical company this autumn has been that of Alza Corporation, Palo Alto, by Ciba-Geigy AG at a price not exceeding \$45m. Here, too, Ciba-Geigy is very interested in the product range of the intended new subsidiary, Alza, specializing in therapeutic systems for the con-

tinuous and controlled administration of medication—health care is a field in which the Swiss industry is generally extremely interested.

Ciba-Geigy has since then announced two further U.S. purchases. One is Reliable Manufacturing Company, of Fountain Valley, a maker of structural adhesives and preprints for the aerospace industry whose acquisition will strengthen its position as a manufacturer of the space development. The high Swiss franc also makes it more difficult or at least unprofitable, especially in the currency like the dollar, of which has halved over six years.

Her good reason for investment is the ability of a worthwhile American and pharmaceuticals. Made more attractive by the cheap dollar, these companies to sit down at the time and of creating the necessary assets. As often as not, however, candidates in question for an excellent opportunity to upgrade and expand groups' sales programmes. At point is the \$276.5m. the outstanding concern of Alcon Laboratories Inc., North by Neile. The Swiss concern, hitherto active in medical production only relatively small operation French toiletries affiliate La Roche Inc. plant in Nutley, exemplified by the Toms River Chemical Corporation in New Jersey.

This announcement appears as a matter of record only

**Tampella Ab**

US \$14,000,000

Medium term loan  
1977-1984

guaranteed by

UNION BANK OF FINLAND LTD

managed by

KREDIETBANK S.A. LUXEMBOURGEOISE

UNION BANK OF FINLAND INTERNATIONAL S.A.

and provided by

Kredietbank S.A. Luxembourgeoise

Union Bank of Finland International S.A.

Scandinavian Bank Limited

Banque Scandinave en Suisse

with:

KREDIETBANK S.A. LUXEMBOURGEOISE

as Agent

November 77

This announcement appears as a matter of record only.



## The Mitsui Bank, Limited

U.S. \$30,000,000

Three Year Eurodollar Floating Rate Certificates of Deposit

Hambros Bank Limited

Hambro-Mitsui Limited

Manufacturers Hanover Limited

Salomon Brothers International Limited

23rd November, 1977

## Hashihama assets frozen by court

MATSUYAMA, Dec. 12.

THE MATSUYAMA District spokesman said, after which Court has frozen the assets of Hashihama, has no other firm following the company's failure to secure financial support from overseas, but declined to elaborate.

Trading in the company's stock on the Tokyo and Osaka exchanges was suspended last Friday following market rumours suggesting that it would not be honour to the due bills.

Hashihama is a medium-sized shipbuilder, capitalised at Y2.2bn., with about 1,000 employees. For the year ended June 30, it reported a deficit of Y2.0bn.

The company spokesman said the firm's orders had fallen off sharply because of the worldwide slowdown in demand for ships, and the yen's depreciation, which had made Japan's exports more expensive. A spokesman for the Finance Ministry said the Ministry and the Bank of Japan had asked banks to provide support to small firms dealing with Hashihama, to prevent a chain reaction of business failures.

The court spokesman said the freeze on assets followed an application by the company for court protection under Japan's corporate rehabilitation law.

Under the terms of this law, a company is not declared formally bankrupt unless and until it is determined that there is no satisfactory way to reconstruct its business.

The Hashihama spokesman said the company will attempt to secure funds to enable it to continue work on its six remaining orders—three 16,000 dwt freighters ordered by Greek owners, two smaller freighters ordered by domestic Japanese companies, and a 6,200 dwt container ship ordered from Panama.

These ships are on order for completion by next spring, the year, reports Reuter.

### ISRAELI NEWS

#### ICC's larger stake

BY L. DANIEL

TEL AVIV, Dec. 12.

ICC HANDELS AG, a Swiss corporation wholly-owned by ICC Industries, an American concern, has purchased 658,026 ordinary shares of Electrochemical Industries (Frutarom) of Israel for about \$5m. from the Israel Investors Corporation.

This makes it the largest single shareholder of Electrochemical Industries since it increases its holding to 26 per cent.

The Israeli firm—a large manufacturing enterprise making chlorine, caustic soda, potassium carbonate, fire extinguishing materials, and PVC—recently engaged in substantial expansion of its PVC production facilities, for export to the Common Market.

Additionally, its essential oils and flavourings division recently

produced towards the end of 1976 a \$40m. chemicals and dyestuff plant of Sandoz at Allendale, SC production to comprise initially

one-fifth of that of the Sandoz group.

Indeed, about the only thing which is not likely in regard of the Swiss chemical industry will be spending more on research and development work in the U.S. At present, about one-fifth of Ciba-Geigy's R and D expenditure is in the U.S. and 17 per cent of that of the Sandoz group.

A great deal of money has been spent on new plant and U.S. chemical industry is a capacity expansions by the repeat of the all-Swiss joint Roche group. At the Hoffmann-La Roche venture project of the past, as

French toiletries affiliate La Roche Inc. plant in Nutley, exemplified by the Toms River Chemical Corporation in New Jersey.

This announcement appears as a matter of record only

concluded an agreement with Baltimore Spice Company. It expects its exports next year to reach \$40m., mainly PVC and related products. The closer link with ICC's world-wide marketing facilities is expected to provide a further fillip to foreign business.

This makes it the largest single shareholder of Electrochemical Industries since it increases its holding to 26 per cent.

The Israeli firm—a large manufacturing enterprise making chlorine, caustic soda, potassium carbonate, fire extinguishing materials, and PVC—recently engaged in substantial expansion of its PVC

production facilities, for export to the Common Market.

Additionally, its essential oils and flavourings division recently

produced towards the end of 1976 a \$40m. chemicals and dyestuff plant of Sandoz at Allendale, SC production to comprise initially

one-fifth of that of the Sandoz group.

Indeed, about the only thing which is not likely in regard of the Swiss chemical industry will be spending more on research and development work in the U.S. At present, about one-fifth of Ciba-Geigy's R and D expenditure is in the U.S. and 17 per cent of that of the Sandoz group.

A great deal of money has been spent on new plant and U.S. chemical industry is a capacity expansions by the repeat of the all-Swiss joint Roche group. At the Hoffmann-La Roche venture project of the past, as

French toiletries affiliate La Roche Inc. plant in Nutley, exemplified by the Toms River Chemical Corporation in New Jersey.

This announcement appears as a matter of record only

All these notes have been sold. This announcement appears as a matter of record only.

### AUSTRALIAN COMPANIES

## ICI Australia 47% gain

SYDNEY, Dec. 12.

BY JAMES FORTH

ICI AUSTRALIA, local offshoot because of slower growth in the to-day ruled that Marra had an obligation to pay a dividend and textile group, boosted its Sales to the rural industry which was declared in 1974 but profit 47 per cent, from \$A21.1m. were adversely affected late in had not been paid.

The decision reversed an earlier ruling by the Supreme Court of NSW that the disputed synthetic yarn producer subsidiary, operated at a loss but earned profits.

The dividend relates to the period from April 10, 1974 to June 30, 1974, shortly after the merger between Marra and Scottish Australian Holdings.

The recommendation for the \$A170,000 dividend was made by the combined Boards of the two companies. Marra ran into difficulties and incurred a trading loss of \$A2.3m. in 1974, together with write-offs and provision totalling another \$A24.1m.

The Court of Appeal ruled that when the dividend was declared there were profits available to meet it. If correctly declared, the debt became an ordinary debt and directors could not withhold payment. The exception was in a winding up, where the payment would become a

MARRA Developments, the troubled pastoral company, has run into difficulties over dividend payments. James Forth writes from Sydney. The New South Wales Court of Appeal deferred debt.

### Marra must pay dividend

MARRA Developments, the troubled pastoral company, has run into difficulties over dividend payments. James Forth writes from Sydney. The New South Wales Court of Appeal deferred debt.

## New Straits Times' issues

BY WONG SULONG

THE NEW Straits Times, the largest newspaper chain in Malaysia, has announced a one-for-three rights issue, although profits for the year to August are down.

The bonus issue is made to capitalise on the sum of 4.58m. ringgit in the general reserve account, while the rights issue will be priced at 1.5 ringgit per share, giving it a premium of 50 cents.

As a result of the share issues, the directors are proposing to loss-making prefabricated timber of 40 per cent for the year.

## Disposals by Allied Chocolate

BY H. F. LEE

ALLIED Chocolate Industries, a subsidiary of Allied Food Industries Far East of Hong Kong, has reached agreement to sell its shareholding in P.T. General Food Industries (GFI) of Indonesia and General Consolidated Company (GCC) of Hongkong to Indonesian shareholders of these companies.

However, since Allied Chocolate's investment in GFI has been partially written down in previous years, an extraordinary profit of \$S1.5m. will result from the sale. Payment in cash is expected to be made towards the end of the month.

The company added that the agreement also provides for the purchasers to guarantee the repayment by equal quarterly instalments over a two-year period of a loan of \$S2.157m. owed by GFI to Allied Chocolate.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

SINGAPORE, Dec. 12.

The company added that the agreement also provides for the purchasers to guarantee the repayment by equal quarterly instalments over a two-year period of a loan of \$S2.157m. owed by GFI to Allied Chocolate.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority of Singapore. The parent company, Allied Food Industries, is an associate company of Jardine Matheson South East Asia.

The transaction is subject to the consent of the monetary authority

## STOCK EXCHANGE REPORT

# Gilts up again but end below best on labour pointers

## Equity leaders lose early firmness—Index down 1.4 at 484.5

## Account Dealing Dates

First Declara- Last Account  
tions Dealings Day  
Nov. 28 Dec. 8 Dec. 9 Dec. 29  
Dec. 12 Dec. 29 Dec. 30 Jan. 11  
Jan. 3 Jan. 12 Jan. 13 Jan. 24

\* New Year's Day dealing may take place  
from 9.30 a.m. two business days earlier.

British Funds continued to lead stock markets into higher ground yesterday, but turned hesitant towards the close. Gains ranging to 1% were clipped to around 1% by the time the firm may not accept the latest pay offer and following the threat of industrial action by the Scottish miners if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-week Actuaries Index had a slow start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

## Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands of Nookes, 230p, and William Rawson, 137p. ICI moved between 35p and 36p and William Rawson, 137p. ICI moved between 35p and 36p and 364p before the pre-week-end level of 366p.

The authorities have control of this end of the market via a new cap, announced last Friday, on terms pitched slightly above existing quotations. Companies were also in good fettle despite the announcement of another variable issue, and Kensington and Chelsea 112 per cent, 1983-87, which began life last Friday in 1979 paid 10% more to 113.5p. Similarly, Rhodesian bonds, if their national executives vote to allow area incentive schemes to operate is implemented.

For trading equities the three-

week Actuaries Index had a slow

start. After opening a shade above existing quotations again showed a general reluctance to improve further in the absence of sufficient buying interest and eventually turned off in sympathy with the easier money in the markets to fall 1% points to 484.5.

Early offerings on Australian stocks prompted a rise of 20 to 34p in Bank of Ireland, while the 10 per cent convertible moved up 6 points to £150. This apart, features were few in an idle banking sector. Home Banks drifted gently lower with Barclays and Lloyds respectively. Other firms were firmer in places. Union rising 10 to 44p and Alexander's 7 to 34p. Minster Assets improved a penny to 39p with the aid of Press comment among Merchant Banks where G. R. Dawes were quoted at 35p, ex the first liquidation payment of £1.

Official statistics of 4.48% compared with 4.30% last Friday and 4.10% a week ago, illustrated the poor level of trade overall.

Long Gilts up again

A continuation of Friday's strong upward movement in long-dated British Funds caused in part by widespread demand attracted by the sector's favourable yield structure and the announcement that the gap at this end of the market had now lifted quotations as much as 1% in the early business. Trade was again quite heavy and the exhausted tan Treasury 100 per cent, rose to 92% before enthusiasm was curbed by indifferent news regarding the domestic labour situation, prompting a general reaction which brought a close of 1% higher on the day at 92%. Reports that the Scottish

miners had threatened industrial action if area incentive schemes were introduced coincided with London firemen's rejection of the Government's peace formulae.

pared gains among the longs to 1%, while a maximum of 1% better offers in the

market.

out Coalite and Chemicals at 70p, with a rise of 8 to 103p, ex Simon recorded a Press-inspired rise of 3p, while gains of 6 and 7 respect-

ively followed in the hands



**FOR YOUR COMPANY—  
BAD DEBTS  
ELIMINATED**

Contact—B. D. Key  
**INTERNATIONAL FACTORS LTD**  
Carcis House, New England Road,  
Birmingham B11 4GX Tel: (021) 667600  
Birmingham, Cardiff, Leeds,  
London, Manchester.

**\*\*BRITISH FUNDS**

"Shorts" (Lives up to Five Years)

1971	High	Low	Stock	Price	+/-	Div.	Gross	Cw	Yield
101/2	101/2	101/2	Treasury 1976	100/10	-	—	—	—	—
100/2	97/2	97/2	Treasury 1978	102/10	-	—	—	—	—
100/2	97/2	97/2	Treasury 1980	102/10	-	—	—	—	—
100/2	97/2	97/2	Treasury 1982	102/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1984	102/10	-	—	—	—	—
97/2	97/2	97/2	Electric 4% 1976	97/2	-	—	—	—	—
100/2	97/2	97/2	Treasury 1986	100/10	-	—	—	—	—
100/2	97/2	97/2	Treasury 1988	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1990	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1992	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1994	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1996	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 1998	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2000	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2002	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2004	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2006	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2008	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2010	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2012	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2014	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2016	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2018	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2020	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2022	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2024	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2026	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2028	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2030	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2032	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2034	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2036	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2038	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2040	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2042	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2044	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2046	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2048	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2050	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2052	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2054	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2056	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2058	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2060	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2062	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2064	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2066	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2068	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2070	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2072	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2074	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2076	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2078	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2080	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2082	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2084	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2086	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2088	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2090	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2092	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2094	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2096	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2098	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2100	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2102	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2104	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2106	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2108	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2110	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2112	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2114	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2116	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2118	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2120	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2122	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2124	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2126	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2128	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2130	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2132	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2134	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2136	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2138	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2140	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2142	100/10	-	—	—	—	—
97/2	97/2	97/2	Treasury 2144	100/10					



**Relative Strength**

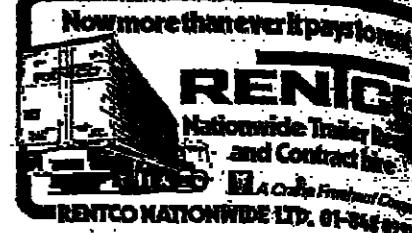
Relative strength is the difference between a good and a bad investment. We supply relative strength reports for Britain's leading companies, plus all the other information necessary for successful investment.

Write or telephone for a free sample.

CHART ANALYSIS LIMITED  
194-206 Highgate, London, N6 4PE  
Tel: 01-383 476

# FINANCIAL TIMES

Tuesday December 13 1977



## Christmas shoppers make slow start

BY ELINOR GOODMAN AND PETER RIDDELL

SPENDING in shops fell slightly in November, for the third month running, but trade reports suggest business has improved in the last few weeks.

Some groups which last month failed to keep sales up to last year's volume are now reporting December sales up in real terms compared with 12 months ago.

General feeling in the trade appears to be that Christmas will be good, possibly a little better than last year.

During November the volume of retail sales was 105 (1971=100) compared with 105.4 in the previous month, according to the preliminary estimate announced by the Department of Trade yesterday.

The spending level appears to have fallen in the autumn—down nearly 1 per cent on a three-month comparison—after a slight recovery during the summer sales season. But business is still better than in the depressed period of the spring and early summer.

Last year Christmas buying started unusually early in November as people tried to anticipate a possible VAT increase in the mid-December package.

This year the pattern has been more normal with no increase until the last week of November.

As a result last month's volume looks particularly poor compared with 12 months ago—down nearly 4 per cent.

The recent improvement is highlighted by the Retail Distributors Association, which monitors the figures of most department store groups. It day shopping has also reports that cash sales in the first week of December were 15.

RETAIL SALES VOLUME (1971=100, seasonally adjusted)	
1976	1st 107.3
	2nd 107.4
	3rd 108.9
	4th 108.5
1977	1st 105.0
	2nd 103.9
	3rd 106.8
	July 107.0
	Aug. 107.2
	Sept. 106.2
	Oct. 105.4
	Nov. 105.0*

\*provisional.

Source: Department of Trade

per cent up on the same period of last year.

This implies a volume increase of 2.3 per cent and follows several weeks in which volume was well down on last year.

In the second week of November cash sales of the association's members were only 1 per cent up on the same week last year.

In contrast to last Christmas and most of this year provincial stores appear to be showing the biggest volume gains. London department stores are finding it difficult to match last year's figures now that the tourist boom seems to have faded.

Selfridges in London's Oxford Street said volume was marginally down on last December, though the recent revival in home trade had taken up some of the slack. Even so, most London stores are still busier than those in the provinces.

The view in the trade is that consumers generally have been waiting for the cash before going on a Christmas shopping spree. The fact that the last monitor the figures of most department store groups. It day shopping has also reports that cash sales in the first week of December were 15.

An inhibiting factor is that

many workers have delayed new pay settlements. This is holding back a sizeable amount of purchasing power. It should mean only a postponement but pay rises come through, but some observers believe there will not be a large and sustained rise in consumer spending until the early spring.

The rise in the last fortnight compared with earlier in the autumn is noted by both F. W. Woolworth, which has been advertising exceptionally heavily this winter, and by House of Fraser. Until two weeks ago the volume of sales was down on the same period of last year at Woolworth, but it has been running about 2 per cent higher in the last two weeks.

The John Lewis Partnership reports that it is the week to December 3 business "took off". Department store sales increased 15.1 per cent compared with the same week last year.

In contrast to last Christmas and most of this year provincial stores appear to be showing the biggest volume gains. London department stores are finding it difficult to match last year's figures now that the tourist boom seems to have faded.

Selfridges in London's Oxford Street said volume was marginally down on last December, though the recent revival in home trade had taken up some of the slack. Even so, most London stores are still busier than those in the provinces.

The average volume of trade during the first 11 months of this year was about 2.3 per cent below the annual average for 1976.

Editorial Comment, Page 16

## Auditors hit back at official report

BY MICHAEL LAFFERTY

SIR CHARLES HARDIE'S accounting firm, Dixon Wilson, yesterday complained about criticisms of it to be published today in a Department of Trade report on London Capital Group, one of whose former chairmen was Mr. John Stoddard.

Dixon Wilson said: "It is outrageous that professional firms and others who are criticised have no opportunity to meet such criticisms until after they have been published."

The general sub-committee of the Expenditure committee had

yesterday been due to hear evidence from five senior Treasury and Inland Revenue officials on the presentation and content of the annual spending White Paper.

The normal quorum is three, three other officials not attending as witnesses.

The abandonment of the hearings does not make much practical difference since the proposals to be discussed on one inclusion of medium-term revenue estimates alongside expenditure plans would not have been implemented in the White Paper due next month.

Mr. English could only account for the absence of some of the other members: among the Tory members, Mr. Fred Silvester was in Manchester, while Mr. John MacGregor has been appointed a Whip and his replacement, Mr. Ian Stewart, had not been able to re-arrange his diary to attend.

Mr. English said he did not know where either Mr. Giles Radice or Mr. Brian Sedgemore were and he believed Mr. John Garrett was around the build-

### Severe

Dixon Wilson's statement came after a report in yesterday's Financial Times that the inspectors' report on London Capital Group would contain severe criticisms of the firm and Sir Charles Hardie, its senior partner, particularly in relation to the 1973 accounts.

Although unable to obtain an advance copy of the inspectors' report, Dixon Wilson said it understood that the inspectors were criticising the auditors in respect of the 1973 accounts without any question of disclosure had occurred."

The accounting firm said the report went on to appraise its action in 1974, when it discovered the transactions which became the subject of investigation.

The Department said yesterday that there was no legal requirement to submit advance copies of its reports to anyone other than the company investigated.

## Dollar support 'not justified'

BY ROBERT MAUTHNER

THE WORLD'S leading central bankers concluded the first day of their two-day meeting here without any specific agreement on concerted support for the U.S. dollar.

Though there appeared to be consensus among European bankers at least that the U.S. should intervene more energetically on the markets to bolster its currency, it was felt that this might be impossible in the present domestic American political climate.

The views expressed by the Europeans, including a suggestion that the U.S. might activate existing swap lines with West Germany and possibly Switzerland,

## National Freight £53m. debts will be written off

BY DAVID FREUD, INDUSTRIAL STAFF

THE GOVERNMENT is to write off more than a third of the loss-making National Freight Corporation's capital debt.

The write-down, reducing the national asset value from £153.1m. to £100m., is intended to help the corporation achieve profitability.

Last year interest and other "below the line" charges transformed a £4m. trading profit into a £1.9m. pre-tax loss.

In a Commons written reply yesterday Mr. William Rodgers, Transport Secretary, told Mr. Stanley Cohen (Lab, Leeds SE) that he was putting forward proposals soon for a financial reconstruction of the corporation following his plan to transfer Freightliners to British Rail.

The £53.1m. write-off includes all the capital debt attributable to Freightliners, and all but alone.

## THE LEX COLUMN

## Unilever: a stiff price for starch

Index fell 1.4 to 484.5

floating rate issues is rapidly. Yesterday, Bristol's £12m. issue, which, apart from the interest rate payment identical to earlier issues, raised on this market, was £11.5m. compared with £55m. at conventional fixed rates on stock market.

Issues are now, roughly once a week, continue at their present floating rates, which soon have over-identical bond rates in terms of importance. Turnover in the secondary market does not compare with in the so-called "yearly" market but it is growing, should accelerate with building societies are given the go-ahead to do.

An important constraint on the market's development is present rather arbitrary taxation structure which means that new issues have to be pitched no longer than years in order to avoid fixed dealing companies. Local authorities are to raise floating rate interest terms and if the Exchange is not prepared to relent on the commission a separate market control could start to do. The stockbroking firms already looks rather out of place in a market which is being dominated by the banking industry. The Bank of England should give a lead as to what market it would like to develop.

### BITS

Not counting the debuts still to come in financing bank branches, Diamonds Pensions has mutated just over 75 per cent of British Investment Trusts has gone unconditional, presumably a roughly similar result can be expected for the British offer for Black Diamonds will be to find some way of living the minority. But Brimley's offer will have to wait at least 14 more days, final chance to put pressure on the E and D Board majority.

### Local authorities

After some initial hesitation, the market in local authority

Earnings per share will be improved by just about 1 per cent.

Several broad issues are likely to surface in these discussions. One mentioned by Mr. Varley yesterday is the need to take into account Government assistance to industry when negotiating pay increases. Another is the problem of collective bargaining in the public sector.

Ministers have noted with interest the recent comments of Mr. David Bassett, chairman of the TUC, that there could be no totally free collective bargaining in the public sector and that a new TUC committee should keep the Government informed on anomalies and problems.

Firemen, Page 10

## £320m. fuel saving campaign launched

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has launched a £320m. energy conservation programme which could lead to savings of £700m. water tanks. A further £2m. a year will be spent on Ministry of Defence homes.

The investment will be concentrated in the public sector. Mr. Anthony Wedgwood Benn, Energy Secretary, said yesterday that industry and private home owners should recognise the benefits of conservation and make their own contribution towards the £700m. fuel savings.

As part of the 11-point package the Government is to hold further talks with the motor industry in an effort to reduce average petrol consumption.

A preliminary study has led to the conclusion that savings of 25 to 30 per cent might be achieved.

By 1985, it is thought, most family cars should be able to do at least 35 mpg. Manufacturers of much larger cars will be expected to reduce consumption by about 25 per cent over the same period.

Mr. Benn pointed out that the total expenditure £16.5m. would be a new allocation of public funds; £28m. would come from the reallocation of existing Government funds; and £62m. would provide from fuel savings from previous conservation methods.

The investment will be made over four years, although a new range of measures is expected to follow.

A new energy conservation division is being established within the Energy Department. Mr. Bernard Ingham, director of information for the Department, is to head the division with the rank of Under-Secretary.

Most of the money will be

spent on loft insulation, draught proofing and the lagging of hot water tanks. A further £2m. a year will be spent on Ministry of Defence homes.

The construction industry should receive a minor fillip from the programme which also includes:

• A further spending of £5m. a year by the Property Services Agency on its civil and defence estates. This should help the Agency achieve its target saving of 35 per cent of 1972 fuel use.

• A further investment of £5m. in 1978-79 and £10m. in each of the succeeding three years on heating controls and insulation in National Health Service buildings.

• An additional investment of £10m. in 1978-79 and £20m. in each of the succeeding three years in educational buildings.

• The allocation of up to £7m. to local authorities for energy management purposes and heating controls in buildings other than schools and council houses.

• A move towards new building regulations requiring the provision of heating controls in public sector buildings.

• The establishment of a new Government advisory and training service to promote energy management in non-domestic buildings.

• A sum of £4m. is to be spent in 1978-79 and a further £5m. is to be allocated annually on the expansion of information and advisory services to industry.

• A further £2m. is to be spent in 1978-79, rising to £5m. in 1981-82 on an expanded programme of demonstrations.

The best most of our competitors can manage is 15 minutes. It also works off a mains adaptor, (like the rechargeable battery, it's an optional extra).

It has capstan drive for constant speed to prevent your voice distorting.

And the Steno-cassette has a built-in time indicator to let you know how much you can say and how much more your secretary has to type.

These features add up to the best value for money around. And that's enough to leave most of our competitors speechless. And most people lost for words.

For further information on the Grundig Stenorette 2010, fill in the coupon and post to:

Grundig International Ltd., Newlands Park, London SE26 5NQ. Tel: 01-659 2468

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Position \_\_\_\_\_

Telephone \_\_\_\_\_

Registered at the Post Office. Printed by St. Clements Printers, and published by the Financial Times Ltd., St. Clements House, Cannon Street, London EC4P 4EP. © The Financial Times Ltd. 1977

GRUNDIG

2010  
The new Grundig Stenorette 2010.  
It leaves our competitors lost for words.

2010